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### Brownfield Redevelopment and Effects on Community: A Study of the Collinwood Neighborhood in Cleveland Ohio

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# **Brownfield Redevelopment and Effects on Community: A Study of the Collinwood Neighborhood in Cleveland Ohio.**

Mike Wallerstein  
Senior Honors Thesis  
Oberlin College Sociology Department  
May 2000

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## Chapter 1 Introduction

In the Fall of 1998 I first came across the notion of brownfields. The idea came up in Andrew Szasz's book *EcoPopulism*<sup>1</sup> in the context of the unintended consequences of Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA,) commonly known as Superfund. Since my readings to that point had been primarily on the more gloomy subject of environmental justice, I was initially very excited at the prospect of an environmentally sound form of development that purported to serve some of the more disadvantaged members of society. It was with great hope that I began to research brownfields in earnest in the Spring of 1999.

I was unprepared for and subsequently vexed by the dearth of academic writing on the subject of brownfields. I ended up relying heavily on the transcript of one senate hearing for much of my information on brownfields. I began to piece together a picture of the legal structure in which redevelopment takes place. Drawing from whatever newspaper articles I could find I came to understand more clearly the business aspects as well. What was unavailable was any sort of detailed study of the social consequences of brownfield redevelopment. I wanted to know if brownfield redevelopment was really doing anything for the communities that it took place in and that was the information that was most scarce.

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<sup>1</sup> Szasz, Andrew. *EcoPopulism: Toxic Waste and the Movement for Environmental Justice* (Minneapolis: University of Minnesota Press, 1994)

Today much more information is available on brownfields. Within the past year or so the information available on brownfields has increased rather dramatically. One needs only to visit the EPA's brownfields web site, <http://www.epa.gov/brownfields>, to see the proliferation of information on brownfields. One particular link of note is the success stories. One can find many sites that had successful redevelopment efforts completed insofar as a site was cleaned up and a business located there. There is little talk of what is going on in the communities that are home to these so called success stories.

Brownfield redevelopment is seen by many, city planners, environmentalists entrepreneurs alike, as one of the best available ways to revitalize the inner city. Brownfield redevelopment appeals to the environmentalist by offering to clean up contaminated land. It appeals to entrepreneurs as a chance to acquire cheap land in a good location. It appeals to cities as a chance to aesthetically improve the urban landscape and increase tax revenues. It appears to be a bright light on the horizon of the otherwise dim realm of ecologically minded urban development.

### **The Research Questions**

The State of Ohio has gone to great lengths to provide a legal structure which is conducive to redeveloping brownfields. The Voluntary Action Program and the ballot referendum to put public money towards brownfield site assessment and cleanup, both

of which I will talk about chapter in two, are both major fiscal commitments to brownfield redevelopment. The State has also committed multiple millions of dollars toward brownfield cleanups outside of the Voluntary Action Program (VAP). The focus of my research is to find out what benefits are gained from brownfield redevelopment and at what costs. Specifically I want to know how the community that undergoes redevelopment benefits. Benefits often associated with brownfield redevelopment include helping communities by creating or increasing tax base, creating jobs, providing new services and the benefits associated with environmental cleanup. The purpose of this project is to find out who truly reaps the benefits of brownfield redevelopment and the government's financial commitment thereto.

### **Why I Chose the Collinwood Neighborhood**

When I knew what I wanted to study I began to look for so called brownfield success stories. I chose to keep my search within the State of Ohio because, in addition to the obvious benefits of proximity to my site, Ohio is home to many "rust belt" cities where brownfields abound. I thought that Ohio's industrial heritage would lend itself nicely to the study of brownfield redevelopment. While I had initially planned to compare sites in Dayton and Cleveland, the longer I researched the more I found that the Collinwood sites in Cleveland would provide a befitting location for my research.

My interest in the Collinwood sites is diverse. Collinwood

is an old neighborhood that grew up with Cleveland. It peaked at the height of the industrial boom in 40s and suffered great decline along with the rest of Cleveland in the mid to late 1960s and early 1970s. It has gone from small village, to the center of Cleveland's industrial boom, to depressed urban neighborhood and is now trying to regain some of its prosperity. It is the industrial history that left brownfields in Collinwood and it is the State's efforts to revitalize the neighborhood that are now bringing some of those brownfields back to use.

Collinwood is a diverse neighborhood insofar as the African American population is almost as large as the white population and the white population has varied European ancestry. Collinwood began as an almost entirely white settlement with its major ethnic groups claiming ancestry from Great Britain, Yugoslavia, and Italy. With the decline of industry jobs came an influx of African Americans and the departure of whites, a trend that continues to this day. Its ethnic makeup in relation to its industrial development make for some complex problems and questions when it comes to brownfield redevelopment and thus makes it all the more interesting to study.

I chose the Collinwood neighborhood for my research for its multiple brownfield redevelopment efforts going on concurrently. Each brownfield site in Collinwood shares the same basic political and community structure for redevelopment; yet the actual redevelopment process is not the same for each site. Furthermore, in each of my cases the site developer is claiming some measure of

success. So it appeared that the by studying the effects of brownfield redevelopment in the Collinwood neighborhood I would be able to begin answering my research questions.

### **Research Methods**

This project is primarily a research project. I discovered early on that studying brownfields wasn't as simple as going to the library and checking out books or talking to people and asking them questions. The methods I found to be best suited to my topic are quite broad. First I tried to gain an understanding of the legal structure under which brownfields are redeveloped. I found most of this information in two places. First were the primary sources, CERCLA itself, various EPA fact sheets regarding its enforcement and Ohio's Voluntary Action Program. With the legal structure identified I next looked to the political structure of brownfield redevelopment. This was available primarily in the transcripts of two Congressional sessions and also in EPA fact sheets.

The harder information to find was the information on specific brownfield redevelopment sites. What information I have is pieced together from newspaper articles and conversations with the parties involved with the redevelopment process. What was the most difficult information to obtain was the history of the community. Here I turned to census tract data, a few obscure reports issued by the Collinwood chamber of commerce in the 1970s, various online texts, conversations with people who live and work



in Collinwood and Case Western Reserve University's Encyclopedia of Cleveland History online at <http://ech.cwru.edu>. Information on the tax consequences of brownfield redevelopment has come primarily from the voluntary action program guidelines as well as from conversations with the land developers.

### **Layout of the Paper**

Chapter One is an introduction to my topic, research questions and methods. Chapter Two focuses on CERCLA, Brownfields, Voluntary Action Programs in general and their associated effects. Chapter Three examines the historical development of the Collinwood community. Chapter Four looks at the creation of brownfields in Collinwood. Chapter Five attempts to gauge the success or failure of the Collinwood redevelopment efforts and implications for future brownfield redevelopment policy.

## **Chapter Two: CERCLA, Brownfields, VAPs and Effects.**

"Brownfield sites are abandoned, idled, or underutilized industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination."<sup>2</sup>

"Brownfields, left unclean and undeveloped, degrade the environment, present environmental justice issues, and represent lost opportunities to restore jobs and the tax base to the inner city. Because many brownfields are located in urban areas, revitalization would particularly benefit low income and minority residents who have suffered the economic and health consequences of living near blighted buildings and contaminated land."<sup>3</sup>

This chapter will illuminate some specific statistics on brownfields in the United States; the focus will be in what size of city brownfields are found in, how many brownfields there are and the amount of space brownfields take up. This chapter will also look at CERCLA and how it can hinder the brownfield redevelopment process. Specific redevelopment strategies and programs that aim to work around the limitations of CERCLA will be examined. The final issue addressed in this chapter is the consequences of not redeveloping brownfields.

### **Brownfields: Some Basic Numbers**

Brownfields can be found in every major city in the United States and are especially prevalent in older industrial cities.

Brownfields can also be found in large numbers in cities that have

<sup>2</sup> "A Sustainable Brownfields Model Framework" EPA Office of Solid Waste and Emergency Response report, January 1999. <http://www.epa.gov/swerosps/bf/pdf/Susmodel.pdf> p. 119.

<sup>3</sup> Geltman, Elizabeth Glass. "Recycling Land: Encouraging the Redevelopment of Contaminated Property." Ann Arbor: University of Michigan Press, 2000. p. 10

100,000 people and fewer.<sup>4</sup> The General Accounting office estimates that there are over 150,000 acres of brownfield sites nationwide.<sup>5</sup> A 1996 survey conducted by the United States Conference of Mayors offers showed 20,827 brownfield sites that amount to 43,825.60 acres of land across 39 different cities.<sup>6</sup> Other studies estimate that there are as many as 450,000 different brownfield sites nationwide.<sup>7</sup> While these numbers are not an accurate enough basis to estimate the total number of brownfields or brownfield acres in the United States they are a clear indicator of the magnitude of the brownfields problem.

Brownfields range greatly in size. The 1996 survey found the largest site to be a 700 acre site, the former factory United States Steel Ensley Works, in Birmingham Alabama.<sup>8</sup> The smallest site found was half an acre lot in Normal Illinois that was once a gas station and dry cleaning business.<sup>9</sup> Brownfields come in all shapes and sizes and can be found in all sizes of city.

### **Brownfields in Cleveland**

How does the city of Cleveland fare in the brownfields problem? The 1996 survey reports that Cleveland has approximately

<sup>4</sup> "Impact of Brownfields on United States cities: A 39-City Survey." The United States Conference of Mayors. Washington D.C., 1996. P. 2.

<sup>5</sup> "Brownfield Liability and Resource Issues" Hearing before the subcommittee on Superfund, waste control, and risk assessment of the committee on environment and public works United States Senate. One hundred Fifth Congress, first session, March 4, 1997. Page 1.

<sup>6</sup> "Impact of Brownfields on United States cities: A 39-City Survey." The United States Conference of Mayors. Washington D.C., 1996. P. 3.

<sup>7</sup> "Basic Brownfields." EPA Fact sheet, 1996. Found in The Best of Real Estate Law 1997: Purchase, Title and Environmental Issues. Ohio Continuing Legal Institute Publications, 1998. P. 10.35.

<sup>8</sup> Ibid, P. 2.

<sup>9</sup> Ibid, P. 2.

6000 brownfield sites totaling approximately 14,000 acres.<sup>10</sup> Both of these were the highest totals of cities that responded to the survey. Since the data in the survey were collected by the cities themselves, and many cities have different methods or ideas about how to calculate the number and size of their brownfields, any judgments or comparisons made between cities in this survey would be tenuous at best. These numbers, however, are not insignificant insofar as they indicate that Cleveland has already begun to deal with the brownfields issue and therefore has a begun to get a handle on the scope of the problem. Specific cases will be examined in chapter four.

### **Brownfield Liability Under CERCLA**

CERCLA, commonly known as Superfund, is the main law that governs redevelopment of environmentally contaminated land. CERCLA created a revolving trust fund that would pay for the costs of cleanup while allowing the EPA to identify and sue potentially responsible parties (PRPs) for the costs of cleaning up the site. On December 11, 1980 President Jimmy Carter signed CERCLA into law.<sup>11</sup> President Ronald Reagan reauthorized it on October 18, 1986.<sup>12</sup> Since then forty-five States have enacted laws similar to CERCLA.<sup>13</sup>

CERCLA was designed to finance and thereby expedite the cleanup of hazardous waste sites. It is the job of the EPA to

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<sup>10</sup> Ibid, p. 3

<sup>11</sup> Szasz, Andrew. *EcoPopulism: Toxic Waste and the Movement for Environmental Justice*. Minneapolis: University of Minnesota Press, 1994. p. 67

<sup>12</sup> Ibid. p. 133

<sup>13</sup> Ibid. p. 3

locate contaminated sites, find the PRPs, order the PRPs to pay for the entire costs of cleanup and sue them if they do not pay. If no PRPs or no viable PRPs can be found then money is taken out of Superfund to pay for the cleanup.<sup>14</sup> "On its face, CERCLA appears to be a workable and appropriate piece of legislation; a straight-forward law based on the polluter pays principle, which holds that the burden of cleanup should fall on the shoulders of those who pollute."<sup>15</sup>

Today, Superfund is a \$16.3 billion fund financed jointly by Federal and State taxes (14% of the total fund) and special taxes on chemical and petrochemical industries (86% of the total fund.)<sup>16</sup> There are about 1300 sites on the National Priority List (NPL) all of which had received emergency cleanup to reduce immediate health risks to surrounding populations by 1995.<sup>17</sup> It is much more difficult, however, to fully remediate a site; between 1980 and 1995, there had been only 56 sites fully remediated and removed from the NPL.<sup>18</sup>

The enforcement of Federal environmental laws, specifically

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<sup>14</sup> Miller, G. Tyler. *Living in the Environment*. Boston: Wadsworth Publishing Company, 1998. p. 588.

<sup>15</sup> Kibel, Paul S. "The Urban Environmental Nexus: Open Space Brownfields and Justice" in *Boston College Environmental Affairs Law Review* Spring, 1998

<sup>16</sup> Miller, Op. Cit. p. 588.

<sup>17</sup> Ibid. p. 588

<sup>18</sup> Ibid. p. 588.

being primarily responsible for hindering brownfield redevelopment, is liability. Under CERCLA, cleanup of a contaminated site is to be paid for by the parties responsible for the pollution. Potentially responsible parties face five distinct types of liability under CERCLA. First is a strict liability standard. The strict liability standard means that neither intent, nor negligence need be proven to hold a PRP responsible for cleanup costs. CERCLA's strict liability standard is imposed on four basic categories of PRPs, owners or operators of contaminated land and persons or companies who generated the hazardous waste or transported the waste to a contaminated site.<sup>24</sup> The idea behind the strict liability standard is the polluter pays principle: whoever caused the contamination, regardless of their intentions, is liable to pay for the costs of the remediation.

Second, CERCLA imposes a standard of joint and several liability. Joint and several liability means that any industry that did any amount of polluting on a particular site could be held responsible for the cleanup costs of an entire site. The idea behind this was to empower the EPA in its lawsuits against

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<sup>24</sup> David Carpenter, Robert Cushman & Bruce Rozonowski, *Environmental Dispute Handbook: Liability And Claims*, P. 189

companies. Essentially this allows the EPA to hammer a particular company and force that company to find a way to pay for the entire cleanup. This often leads to the responsible company suing the other polluting companies, or raising prices and passing the burdens on to consumers.

A third type of liability under CERCLA is retroactive liability. Retroactive liability states that a polluting company could be responsible for cleanup costs even if it followed waste disposal methods that were legal at the time they did their polluting. The purpose here again was to give the EPA the power to go after polluting industries that had been polluting for years before there were strict hazardous waste disposal regulations such as the Resource Conservation Recovery Act (RCRA.)

The fourth type of liability CERCLA establishes is a standard of lender liability. Lender liability can make a PRP out of any financial institution that may have influenced the management decisions of property owners.<sup>25</sup> The idea here is to make banks wary of financing polluting industries as well as to provide the proverbial "deep pocket" to pay administrative

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<sup>25</sup> Kibel, Op. Cit.

penalties, the judgments in civil suits and the often high cost of cleanup.

The fifth and final type of liability under CERCLA is open-ended liability. Essentially if a company cleans up a particular site to a given set of standards, then new contamination is discovered on the same site, the company is liable for the cleanup of the newly discovered contaminants. The purpose of this is for the EPA to cover itself in case it does an incomplete assessment the first time out, or in case they find evidence of new contamination.<sup>26</sup>

The idea behind such strict regulations was to put the onus of cleanup costs squarely upon the shoulders of polluting industry. The liability also serves to make it easy for the EPA to file actions against polluting industries that do not voluntarily pay for the cleanup their sites. Unfortunately, these strict regulations have not lead to quick and efficient remediation; instead they have had the unintended consequence of perpetuating brownfields.

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<sup>26</sup> 26 Kibel, Op. Cit.



## **Unintended Consequences of CERCLA**

CERCLA's liability creates fear of redevelopment among, owners, potential buyers and lenders. They fear the unknown cleanup costs of a site. If a site is found to be contaminated enough to be placed on Superfund's NPL list then the price of cleanup can be astronomical as the cleanup standards state that contaminated properties must be returned to their original pristine state. If the site is found to have some contamination but not enough to be placed on the NPL then there is no definite standard for cleanup and thus the costs are difficult to calculate. Many owners seem willing to bet that it will be less costly to let a site sit than to determine the level of contamination. Many potential buyers or lenders are scared of the prospect of becoming liable for the unknown potentially huge costs of cleanup.

In the Senate hearing on Brownfields Liability and Resource Issues, Senator Robert H. Smith, Chairman of the Subcommittee on Superfund, Waste Control, and Risk Assessment, states his view on the twofold problems associated with brownfields. "First, at many of these sites we simply don't know what the level of

environmental contamination is." He suggests that on some sites there may be little or no contamination at all. He proposes that funding for environmental assessments would help identify those sites with little or no contamination and help "quickly return them to public reuse."<sup>27</sup> Senator Smith continues to suggest that "the second problem associated with brownfields is that there are many companies that would like to clean up and redevelop their contaminated sites under State voluntary cleanup programs but fear getting sucked into the Superfund morass."<sup>28</sup> Here he is referring to CERCLA's open-ended liability. Many potential developers are fearful of legal action under CERCLA after they have cleaned up a site if a new contaminant is found.

Senator Frank Lautenberg points out another problem associated with CERCLA. "There are more than 100,000 brownfields sites that Superfund will not clean up because the contamination levels are too low to qualify."<sup>29</sup> This means that not only are there 100,000 sites nationwide that need some funding for cleanup, but that these sites, since their levels of contamination are too

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<sup>27</sup> Smith, in "Brownfield Liability and Resource Issues" p. 2

<sup>28</sup> Ibid. p. 2.

<sup>29</sup> Lautenberg, in "Brownfield Liability and Resource Issues." p. 3.

low to qualify for Superfund cleanup, do not pose immediate human health risks and are therefore more viable redevelopment options because the cleanup process would be relatively short and inexpensive. Yet these sites remain undeveloped, often due to a fear of future liability under CERCLA.

According to Senator Smith, the liability standards of CERCLA are directly responsible for the creation of brownfields. He suggests that CERCLA's liability is so expansive that many PRPs find it cheaper to litigate EPA claims for years rather than pay the often astronomical costs of remediation.<sup>30</sup> Furthermore, banks often refuse to lend money to people looking to redevelop brownfields, or properties that they think might be contaminated for fear of becoming a PRP in a Superfund case. Often banks will not foreclose on loans and properties are left abandoned. Some landowners even avoid taking a preliminary environmental assessment on their land for fear of finding contamination that could create liability.<sup>31</sup> An example of such a site can be found in Chesapeake county Maryland:

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<sup>30</sup> "Brownfield Liability and Resource Issues" Hearing before the subcommittee on Superfund, waste control, and risk assessment of the committee on environment and public works United States Senate. One hundred Fifth Congress, first session, March 4, 1997.

<sup>31</sup> Kibel, Op. Cit. Section II

"State officials say it will be several years before they can test soil at the proposed site for a Boys and Girls Club in the Chesapeake Ranch Estates to determine whether it is contaminated with volatile organic compounds.

Quentin Banks, a spokesman for the Maryland Department of the Environment, said that his agency has a backlog of more than 400 suspected contaminated sites across the State and that the Chesapeake Ranch Estates property will be added to the slow moving list.

That disrupts plans to build a Boys and Girls Club on the 27 acre site in the Chesapeake Ranch Estates. The private community, known locally as the "Ranch Club," intended to give the land to the county in exchange for financial help building the \$1 million facility.

Last month, county officials conducting tests on the property off Rio Grande Trail discovered debris buried under the soil, including a "grease dump" and strong petroleum odors associated with volatile organic compounds. The compounds, which have been linked to cancer, were once used in industry as degreasing agents.

Because county health officials do not consider the site an immediate health threat, it could be at least four years before State officials test the soil for contamination, Banks said.

The county or the Ranch Club could pay for an environmental assessment, Banks said. If the site is found to be contaminated, the polluter, the property owner or the county could be liable for the costs of cleanup, Banks said. Calvert County Commissioners President Linda L. Kelley (R-Owings) said the county is not eager to pay for environmental testing of the soil. "This thing's going on a back burner," she said.

Residents in southern Calvert had hoped to build a Boys and Girls Club to serve about 3,700 children who live within 2.5 miles of the Ranch Club site. The Ranch Club has been struggling with problems of juvenile delinquency and has been designated a "hot spot" by the State's Department of Juvenile Justice."<sup>32</sup>

Here is a clear case where fear of liability under CERCLA is inhibiting development that would be beneficial to a community.

It is cases like this that have lead to calls for changes in CERCLA and changes in the entire redevelopment process.

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<sup>32</sup> Layton, Lyndsay. "Soil-Test Delay Derails Project, Youth Club on Hold as Inspection for Contamination Is Backlogged." Washington Post, March 28, 1999. P. M01. < <http://search.washingtonpost.com/wp-srv/WPlate/1999-03/28/1361-032899-idx.html>>

## **What Happens When Brownfields Aren't Redeveloped?**

With companies fearful of redeveloping, and even afraid to do environmental assessments, brownfields are left to rot in urban areas. Companies looking to develop property turn to sites that have never been developed, so called pristine sites. Pristine sites are chosen because the potential for finding contamination on the preliminary environmental assessment is almost nothing compared to former industrial sites: brownfields. There are problems associated with companies developing pristine sites. First the development of pristine sites damages a formerly untouched and clean environment. Also important is the very limited amount of green space in urban areas. The more that is developed the less there is.

Furthermore, while most brownfields are in urban areas, most pristine sites are not. This means that development of pristine sites that are outside of urban areas takes money in the form of tax revenue and jobs away from the urban areas that need it most while at the same time damaging previously untouched ecosystems. This leads to a pattern of urban expansion and decentralization

commonly referred to as urban sprawl.

Unfortunately, the phenomenon of choosing pristine sites for redevelopment has taken its toll on redevelopment efforts in inner cities and rust belt cities across America. The city of Cleveland serves as a good example. The Collinwood sites are just two of Cleveland's 6,000 brownfield sites. Clearly there are many sites that are in good locations in Cleveland that could be redeveloped. Yet on the drive into or out of Cleveland one can easily see the sprawling expansion that creeps ever farther outside city limits. One can't help but wonder how this new sprawling development will fare if and when the economy turns south.

With development taking place outside of cities, inner cities face the twofold problems of loss of tax revenues from unused properties and loss of jobs. It is important to note that claims of lost tax revenue can get inflated. Owners of idle property still must pay taxes on it. By the same token companies often receive tax incentives to develop in urban areas and redevelop brownfields, as is the case with Ohio's Voluntary Action Program (to be discussed later), so the tax revenues gained from redeveloping brownfields may not be immense. According to

conservative estimates in the 1996 survey Cleveland loses \$25 million annually in tax revenues on brownfields. A more optimistic estimate puts the annual loss at \$100 million.<sup>33</sup> Still since these numbers were given to NALGEP by the Cleveland Mayor's office, it may not be prudent to consider these estimates accurate. With CERCLA standing in the way of what many cities see as the great economic benefits of redevelopment, governments are trying different ways to circumvent CERCLA's liability.

### **Policies to Encourage Redevelopment**

Politicians, landowners and environmentalists alike have all supported attempts to get around the liability problems of CERCLA to encourage brownfield redevelopment. Some politicians have looked to rewrite much CERCLA's liability under the auspices of reauthorization with no success.<sup>34</sup> Strategies based on working within the current rules of CERCLA have had more success. The first major national attempt to work around CERCLA's liability was the Brownfields Pilot programs that began in Cuyahoga County, OH,

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<sup>33</sup> "Impact of Brownfields on United States cities: A 39-City Survey." Op. Cit., p. 3

<sup>34</sup> "Legislation to Improve the Comprehensive Environmental Response, Compensation and Liability Act" Hearings before the subcommittee on Finance and Hazardous Material of the committee on commerce house of representatives. One hundred Sixth Congress, first session, August 4, 1999 and September 22, 1999.

in November of 1993.<sup>35</sup>

The Pilot programs work by giving a small amount of seed money, up to \$200,000 to begin the cleanup/redevelopment process by supporting local redevelopment programs, establishing revolving loan funds or paying for initial environmental assessments.

Conducted through the EPA office of Outreach and Special Projects the Brownfields National Pilot was designed to "empower States, communities and other stake holders in economic redevelopment to work in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields."<sup>36</sup> The plan works by giving money to start up the redevelopment process. The hope that initial public investment will help spur private investment. This worked well in the first pilot grant to Cuyahoga county where in addition to the original \$200,000 given by the EPA, the Cuyahoga County Planning Commission (CPC) was supported with \$1.7 million in private cleanup funds plus an additional \$250,000 in private contributions. As of July 1995, the program

had generated an increase \$645,000 in annual property taxes and

<sup>35</sup> "Brownfield Pilots" EPA Quick Reference Fact Sheet, January 1996. Found in The Best of Real Estate Law 1997: Purchase, Title and Environmental Issues. Ohio Continuing Legal Institute Publications, 1998. p. 10.43.

<sup>36</sup> "Brownfields National Pilot" EPA Quick Reference Fact Sheet, January 1996. Found in The Best of Real Estate Law 1997: Purchase, Title and Environmental Issues. Ohio Continuing Legal Institute Publications, 1998. p. 10.45.



more than 100 new jobs.<sup>37</sup>

The Brownfields Pilots often work hand in hand with State run Voluntary Action Programs (VAPs) which are designed to decrease future liability under CERCLA and provide a definite set of cleanup standards. Ohio's VAP, which was signed into law in 1994 by then Governor George Voinovich, was designed not only to reduce liability under the State's version of CERCLA but also to provide financial incentives via tax abatement on redeveloped property.

The Ohio VAP offers owners who voluntarily cleanup their contaminated sites "covenants not to sue," and "letters of no further action." Essentially, the State provides a set of cleanup standards, based on the intended future use of the site, and the owner cleans up the site. When the cleanup standards have been met as determined by private State approved inspector, the State issues a letter of no further action saying that the cleanup standards have been met and no further cleanup is necessary. Along with the letter of no further action often comes a covenant not to sue in which the State promises not to sue the landowner

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<sup>37</sup> "Brownfields Pilot: Cleveland, OH" EPA Quick Reference Fact Sheet, July 1996. Found in The Best of Real Estate Law 1997: Purchase, Title and Environmental Issues. Ohio Continuing Legal Institute Publications, 1998. p. 10.55.

under CERCLA for cleanup costs. Ohio's VAP establishes three different cleanup standards based on intended use; the industrial standard is the lowest, followed by commercial and finally residential, the highest standard for cleanup.<sup>38</sup>

The Ohio VAP also offers a variety of financial incentives for participant owners. The key financial incentive offered by the VAP is tax abatement. Participants in the VAP receive a ten year abatement on State real estate taxes on the increased value of their property due to clean up. They may also receive more tax abatement from their particular municipality. The State, often using money from the Brownfield pilot Program, makes low interest available to help defray the cost of cleanup.<sup>39</sup>

Ohio is one of many States to use VAPs as a strategy for getting brownfields cleaned up and redeveloped. Ohio's VAP is unique in that it does not meet Federal regulations for EPA monitoring. The result is that even though the State can offer Covenants Not to Sue, the Federal government still retains their rights to sue for the costs of cleanup if the site ends up on the

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<sup>38</sup> Voluntary Action Program" Ohio EPA Fact Sheet, April 1996. Found in The Best of Real Estate Law 1997: Purchase, Title and Environmental Issues. Ohio Continuing Legal Institute Publications, 1998. p. 10.2.

<sup>39</sup> Ibid. p. 10.2.

NPL list. Many State VAPs work hand in hand with the Federal government. The VAPs that meet Federal standards can offer participants Covenants Not to Sue from both the State and Federal government.<sup>40</sup>

Federal efforts to encourage brownfield redevelopment have moved beyond the pilot programs. In 1995 EPA issued a new set of guidelines for prospective purchasers of contaminated property. The guidelines set up a system whereby prospective purchasers of contaminated property could gain exemption from liability for cleanup costs. The idea was to make developers less wary of Federal liability by allowing them to enter into agreements with EPA directly. This program seems geared toward getting contaminated properties in good locations easier to sell and more economically viable development possibilities.

Ohio's VAP offers an exemption from groundwater cleanup for owners who can demonstrate that their property meets five criteria. If the owner can demonstrate these criteria then the property receives an "urban setting" designation. For the property to receive the urban designation it must be in a city or township

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<sup>40</sup> "Ohio Democrats Join Push for New Law" Katherine Rizzo. Associated Press Wire Reports, May 12, 1999.

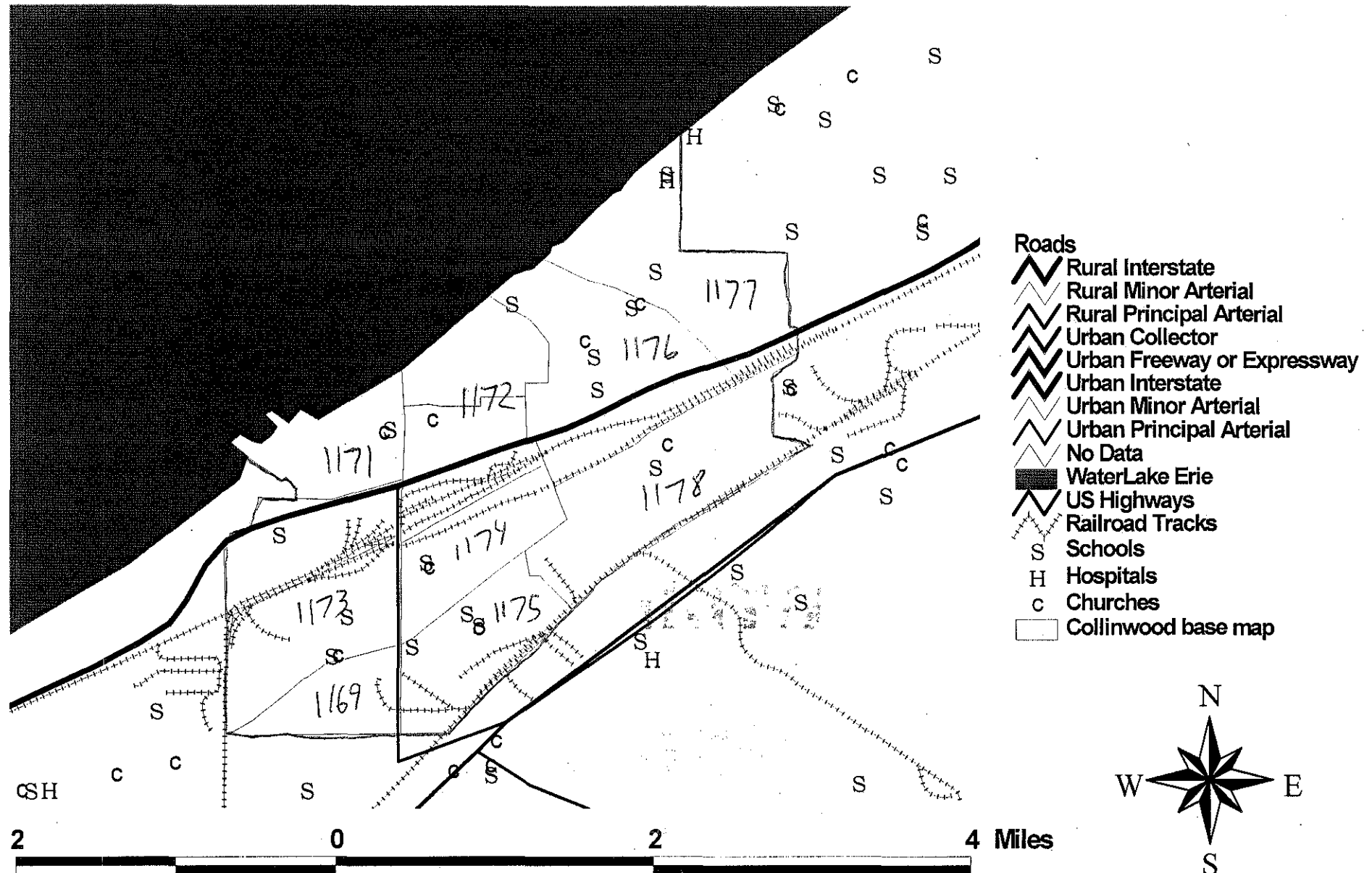
with 20,000 or more residents, where more than 90 percent of all land parcels on the tax rolls are served by a public utility's treated-water lines. The site may not be over an EPA designated area where groundwater flows to neighboring wetter supplies or over an aquifer that is an area's sole public water source. Finally, there can be no water wells within a half mile of the site.<sup>41</sup> These strict measures are meant to ensure that risk of contaminated groundwater entering the general drinking water supply is minimized.

With the framework for brownfield redevelopment laid out, the next chapter will take a look the Collinwood neighborhood in Cleveland where brownfields are prevalent, how they came to be prevalent and what affects they have on Collinwood's community.

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<sup>41</sup> "Ohio Democrats Join Push for a New Law" Katherine Rizzo Associated Press Wire Reports, May 12, 1999.

# Base Map of Collinwood



## Chapter 3: Historical Development of the Collinwood Community

"In the last two hundred years, Cleveland has grown from a small frontier outpost to one of America's major metropolitan centers. Today, with a score of reinvigorated urban neighborhoods, a newly revitalized downtown, unparalleled cultural amenities, and one of the most diverse populations in the nation, Cleveland is looked upon as a model for what can be accomplished in urban America."

-Michael White, Mayor of Cleveland.

### Origins of Industry in Collinwood

Collinwood was established as the settlement of Collamer in 1812 when David Crocker built his tannery and gristmill. It was then known as Euclid Village, Nine Mile Creek and Frogsville.<sup>42</sup> It did not actually receive the moniker Collamer until 1850 when it was named after the Postmaster General of President Zachary Taylor, Judge Jacob Collamer.<sup>43</sup> It was home to some of the first churches established in the western reserve. It became home to a large number of ministers and the area became known as saints' row. It was the largest grape-shipping point un the United States from 1870-79.<sup>44</sup> Starting in 1860 there was direct transport from Collamer to Cleveland on the St. Clair Avenue omnibus. Where St. Clair is was crossed by Collamer street, now East 152nd street, was and still is to this day known as the five points district, the commercial hub of the neighborhood.

Collamer was originally a village of East Cleveland Township

<sup>42</sup> Aggarwal, Shiv K., A Study of the Collinwood Area and Its Problems (Cleveland: Collinwood Community Services Center, 1971) 15.

<sup>43</sup> "Collamer," Encyclopedia of Cleveland History Online, <<http://ech.cwru.edu/Scripts/Article.asp?ID=C8.>>

<sup>44</sup> Ibid.

and then the city of East Cleveland. It voted against annexation by Cleveland in 1908. It wasn't until January 21, 1910 that Collamer relented to the annexation efforts of Cleveland mayor Tom L. Johnson.<sup>45</sup> Collamer officially joined Cleveland in 1910 under its present name, Collinwood.

Railroads played a significant role in the development of Collinwood. The Lakview and Collamer railroad line ran through Collinwood by 1870. This line was later used for rapid transport between East Cleveland and Public square. By 1890 it was a major switching point for the Lake Shore and Michigan Southern Railroad, which soon became the New York Central Railroad. Collinwood also served as the home of the company's rail yards.

Collinwood Yards, was built in 1874 by the New York Central company and quickly became one of the company's primary repair and freight transfer facilities. The yards consisted of a brick roundhouse which was used for storage and repair of railroad cars. Nearby a machine shop with an engine room was built alongside a forge and offices with apartments above where employees lived.<sup>46</sup> To the South of the main tracks were the freight transfer yards with the stock yards lying to the North. By the end of 1874 at least 500 New York Central brakemen, conductors and engineers lived within the vicinity of Collinwood Yards which saw seventy two freight trains arriving daily.<sup>47</sup>

In the late 1890s the Collinwood population was measured at

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<sup>45</sup> Aggarwal. Op. Cit. 15.

<sup>46</sup> "Collinwood Railroad Yards" Encyclopedia of Cleveland History Online  
<<http://ech.cwru.edu/Scripts/Article.asp?ID=CRY>>

<sup>47</sup> Ibid.

North Collinwood Tracts 1940	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb
White	9419	6837	5326	5658	27240	608	55417	56025
Black	329	8	1	12	350			
Total	9748	6845	5327	5670	27590			

South Collinwood Tracts 1940	Tract P9	Tract Q3	Tract Q4	Tract Q5	Tract Q8	Total
White	6255	7470	4040	6871	3541	28177
Black	10	104	9	135	0	258
Total	6265	7574	4049	7006	3541	28435

North Collinwood Tracts 1930	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb
White	9857	7133	5462	4953	27405	675	57315	57990
Black	421	21	17	10	469			
Total	10278	7154	5479	4963	27874			

South Collinwood Tracts 1930	Tract P9	Tract Q3	Tract Q4	Tract Q5	Tract Q8	Total
White	6341	8035	4519	7237	3778	29910
Black	5	54	22	119	6	206
Total	6346	8089	4541	7356	3784	30116

North Collinwood Tracts 1920	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb
White	5829	5230	2268	1248	14575	572	39241	39813
Black	249	28	9	5	291			
Total	6078	5258	2277	1253	14866			

South Collinwood Tracts 1920	Tract P9	Tract Q3/P7	Tract Q4	Tract Q5	Tract Q8	Total
White	4596	9956	3082	4903	2129	24666
Black	11	39	2	225	4	281
Total	4607	9995	3084	5128	2133	24947

North Collinwood Tracts 1910	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb
Total	1163	2457	1300	407	5327	56	11968	12024
Blacks = 33								

South Collinwood Tracts 1910	Tract P9	Tract Q3	Tract Q4	Tract Q5	Tract Q8	Total
Total	256	2784	1966	713	680	6399
Blacks= 23						



North Collinwood 1997 Estimate	Tract 1171	Tract 1172	Tract 1176	Tract 1177	Total				97 Total com.
	4887	5832	3281	5238	19238				33247
South Collinwood 1997 Estimate	Tract 1169	Tract 1173	Tract 1174	Tract 1175	Tract 1178	Total			
	3032	3701	1819	3037	2420	14009			
North Collinwood Tracts 1990	Tract 1171	Tract 1172	Tract 1176	Tract 1177	Total	Total Black	Total White	Total Comb	
White	1881	4622	2988	5012	14503	11859	21958	33817	
Black	3183	1240	171	54	4648				
Total	5064	5862	3159	5066	19151				
South Collinwood Tracts 1990	Tract 1169	Tract 1173	Tract 1174	Tract 1175	Tract 1178	Total			
White	52	352	1827	3012	2212	7455			
Black	3240	3560	55	125	231	7211			
Total	3292	3912	1882	3137	2443	14666			
North Collinwood Tracts 1980	Tract 1171	Tract 1172	Tract 1176	Tract 1177	Total	Total Black	Total White	Total Comb	
White	3864	5677	3059	5353	17953	10634	27616	38250	
Black	1751	307	14	0	2072				
Total	5615	5984	3073	5353	20025				
South Collinwood Tracts 1980	Tract 1169	Tract 1173	Tract 1174	Tract 1175	Tract 1178	Total			
White	112	698	2125	3669	3059	9663			
Black	4275	4212	50	11	14	8562			
Total	4387	4910	2175	3680	3073	18225			
North Collinwood Tracts 1970	Tract 1171	Tract 1172	Tract 1176	Tract 1177	Total	Total Black	Total White	Total Comb	
White	5900	5334	4317	6021	21572	8574	38674	47248	
Black	597	9	7	3	616				
Total	6497	5343	4324	6024	22188				
South Collinwood Tracts 1970	Tract 1169	Tract 1173	Tract 1174	Tract 1175	Tract 1178	Total			
White	2336	3942	2831	4671	3322	17102			
Black	3374	1752	2814	16	2	7958			
Total	5710	5694	5645	4687	3324	25060			
North Collinwood Tracts 1965	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb	
White	6048	5265	4233	6546	22092	907	44954	45861	
Black	578	20	8	6	612				
Total	6626	5285	4241	6552	22704				
South Collinwood Tracts 1965	Tract P9	Tract Q3	Tract Q4	Tract Q5	Tract Q8	Total			
White	5223	5908	2943	5266	3522	22862			
Black	53	199	2	26	15	295			
Total	5276	6107	2945	5292	3537	23157			
North Collinwood Tracts 1960	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb	
White	6410	5676	4435	6476	22997	724	47368	48092	
Black	530	7	1	3	541				
Total	6940	5683	4436	6479	23538				
South Collinwood Tracts 1960	Tract P9	Tract Q3	Tract Q4	Tract Q5	Tract Q8	Total			
White	5531	6593	3326	5385	3536	24371			
Black	3	129	7	44	0	183			
Total	5534	6722	3333	5429	3536	24554			
North Collinwood Tracts 1950	Tract Q1	Tract Q2	Tract Q6	Tract Q7	Total	Total Black	Total White	Total Comb	
White	8559	6582	5205	6351	26697	640	53214	53854	
Black	466	5	0	3	474				
Total	9025	6587	5205	6354	27171				
South Collinwood Tracts 1950	Tract P9	Tract Q3	Tract Q4	Tract Q5	Tract Q8	Total			
White	5981	7207	3799	6078	3452	26517			
Black	0	79	22	65	0	166			
Total	5981	7286	3821	6143	3452	26683			

almost 3,200.<sup>48</sup> In 1903 the Collinwood Railroad Terminal was rebuilt as the largest gravity switchyard in the country; soon after in 1905 the Belt Line Railroad was completed.<sup>49</sup>

The population of Collinwood in 1910 was 12,024.<sup>50 51</sup> Of this 12,024 only 56 were African American.<sup>52</sup> The major ethnic groups in Collinwood were Yugoslavians, who concentrated in tracts Q2 and Q4 North of Saint Clair Ave, and Italians who were concentrated South of Saint Clair ave in tract Q5 and the Irish. The few African Americans were dispersed with around 20 living in tract Q5 and the other 30 living in Q1.<sup>53</sup> One factor that brought African Americans to Collinwood was that railroad yards were one of the only places that they could find work. According to one African American resident of Collinwood "My family came up from Georgia to work for the railroads. When they first came up here they lived in boxcars. The railroads were big in those days, and word passed from person to person that the railroad was one of the few places that hired blacks. Those first years they lived in boxcars, then they built some project houses on Thanos Avenue off 152nd Street.

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<sup>48</sup> "Collinwood" Encyclopedia of Cleveland History Online <<http://ech.cwru.edu/Scripts/Article.Asp?ID=C9>>.

<sup>49</sup> Aggarwal. Op. Cit. 15.

<sup>50</sup> Green, Howard Whipple, An Analysis of Population Data by Census Tracts With Location Index for Cleveland and Vicinity (Cleveland: Cleveland Health Council, 1927) 13.

<sup>51</sup> It is important to note here that from throughout the paper, when I refer to Collinwood I mean the combination of the neighborhoods of North and South Collinwood as defined by the 1990 United States Census. The tracts for this neighborhood are P9-Q8. Some studies include two more tracts, Q9 and Z1 in the Collinwood Neighborhood. As best I can tell the 1990 census excluded these tracts because they are outside of the boundaries of the Norfolk Southern Railroad. I can only guess as to why they are included in some studies: my suspicion is that they are politically part of Ward 10, the same Ward as the rest of South Collinwood. It could also be that since the two extra tracts are bounded on east by the city of East Cleveland that they were included in Collinwood by default. In 1970 the Census bureau switched it's numbering system and tract P9 became tract 1169, tract Q1 became 1171 Q2 became 1172 and so on.

<sup>52</sup> "Cleveland, OH Census Tracts." United States Census Bureau. 1930 Ed. p. 232

<sup>53</sup> Ibid. P. 232.

Those houses are still standing."<sup>54</sup>

Between 1910 and 1920 the population of Collinwood had almost quadrupled to 39,813.<sup>55</sup> During the same time period the entire city of Cleveland grew by forty three percent from 565,400 to 808,300.<sup>56</sup> Collinwood's astonishing growth rate was accompanied by an influx of African American Communities. The African American population in Tracts Q5 and Q1 grew to 225 and 249 respectively, with members found in every tract.<sup>57</sup> The Italian population in tract Q5 increased as well due to migration from the then declining neighborhood of Big Italy.<sup>58</sup> The population of Collinwood reached its peak at near 57,990 in the census of 1930.<sup>59</sup> The Rail Yards continued to grow with Collinwood. In 1929 they expanded to include over 120 miles of track which could handle 2000 cars a day.<sup>60</sup> By 1933 the yards employed nearly 2,000 people.<sup>61</sup>

While Collinwood grew up around the railroads and its railroad yard, other industries were burgeoning in Collinwood at the same time. Starting with National Acme's move in 1916, Collinwood became the home of many industries including Eaton Axle Corporation and General Electric in 1919. The Fisher Body plant, which later was purchased by General Motors, built its plant on E. 140th and Coit Road in June of 1921. Lincoln Electric' Pitney Glass Works moved to Collinwood along with Bailey Controls in

<sup>54</sup> "Suarez, Raymond." The Old Neighborhood. New York : Free Press, 1999 pp 181-182. Quotation of Lorraine Holloway.

<sup>55</sup> "Cleveland, OH Census Tracts." Op. Cit. P. 226.

<sup>56</sup> "Green, Howard Whipple" Op. Cit. p. 16.

<sup>57</sup> "Cleveland, OH" Op. Cit. p. 217.

<sup>58</sup> "Five Points" Encyclopedia of Cleveland History Online <<http://ech.cwru.edu/Scripts/Article.Asp?ID=FP2>>.

<sup>59</sup> "Cleveland, OH" Op. Cit. p. 217.

<sup>60</sup> "Collinwood Railroad Yards" Op. Cit.

<sup>61</sup> Ibid.

1923.<sup>62</sup>

Collinwood was one of the most heavily industrialized areas in the world during World War II. The Fisher Body plant produced tank and gun parts and engine parts for the B-29 and employed over 14,000 workers.<sup>63</sup> At the same time Bailey meter had over 1,000 workers employed and it became a major supplier of meters and controls for navy ships.<sup>64</sup> Collinwood was at its industrial peak during the war; when the war ended and the demand for Collinwood's industrial production lessened Collinwood went into a slow decline that would last for approximately thirty years.

Collinwood's Population in 1940 dipped slightly to 56,025. The majority of those who moved out were white. A popular explanation for this was that those whites who had made their money from Collinwood's industry now could afford to move the northwestern tracts of Collinwood (Q7) or out entirely. Interestingly enough, 1940 was the only census year when the African American population of Collinwood dropped: it went from 675 to 608.

1950 showed another slight drop in population from 56,025 to 53,854. This time the drop was entirely in the white population. African American population went from 608 to 640 while whites population dipped by over 2200. This more significant drop in the white population might be more difficult to explain by the heading to greener pastures theory. At the same time Collinwood was

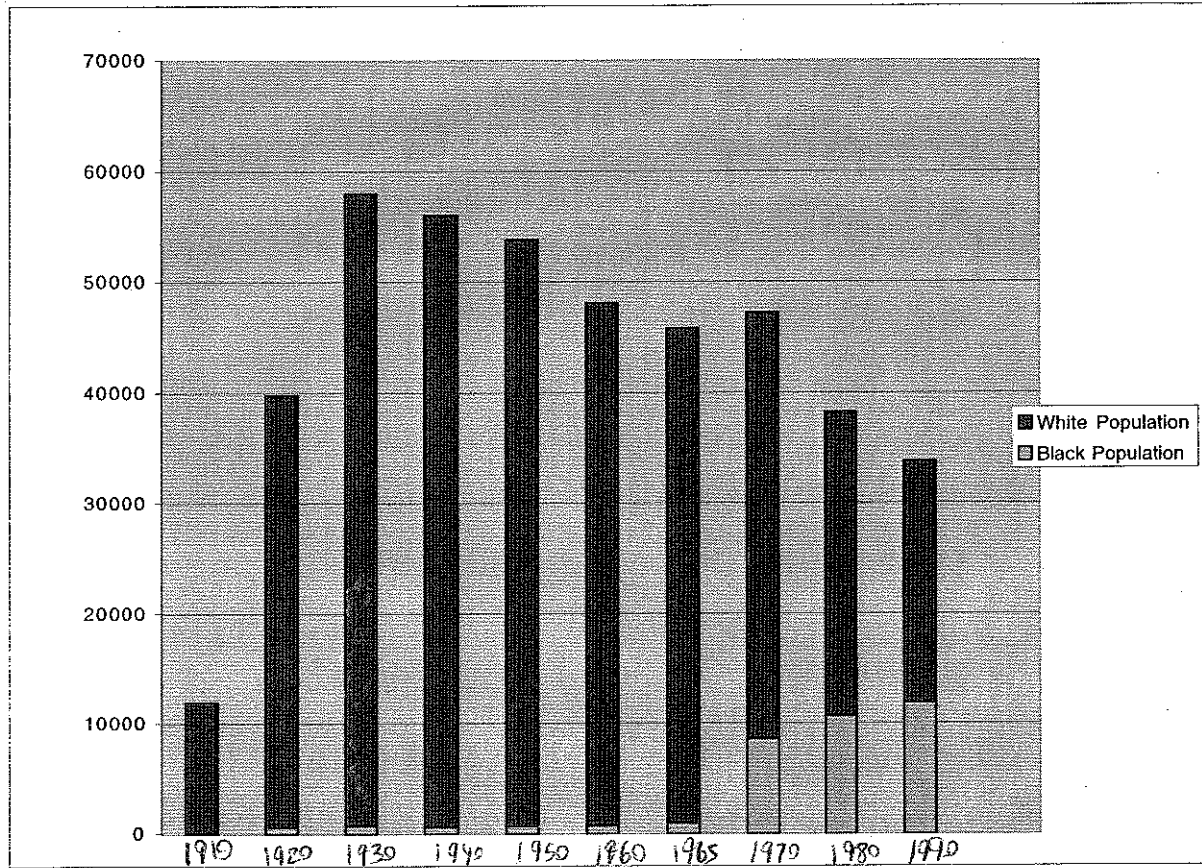
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<sup>62</sup> "Collinwood" Op. Cit.

<sup>63</sup> "Fisher Body Division of General Motors Corp" Encyclopedia of Cleveland History Online <<http://ech.cwru.edu/Scripts/Article.Asp?ID=FBDOGMCM>>.

<sup>64</sup> "Bailey Controls" Encyclopedia of Cleveland History Online <<http://ech.cwru.edu/Scripts/Article.asp?ID=BC1>>.

1910	1920	1930	1940	1950	1960	1965	1970	1980	1990
56	572	675	608	640	724	907	8574	10634	11859
11968	39241	57315	55417	53214	47368	44954	38674	27616	21985



identified as having abnormally high crime rates. This may have also been a contributing factor in whites moving out.<sup>65</sup>

1960 showed the same trends of the last two census years. Collinwood's population dipped again from 53,854 to 48,092. African American population continued to increase from 640 to 724. The white population dropped by almost 6,000 in the same time period. It is important to note that while many white families were leaving there were also whites moving in. Approximately 6000 whites moved in between 1960 and 1970. These whites were identified as white Appalachians, some of whom moved into Collinwood from other parts of Cleveland while the majority immigrated to Collinwood from the South.<sup>66</sup>

By 1970 the decline of white population reached its peak. Furthermore, 1970 was the first census year to see a significant increase in the African American Population. African Americans went from 724 to 8,574; in the same time white population dropped from 47,368 to 38,674! Yet the total population did not change much, dropping from 48,092 to a little more than 47,284.

Statistics taken from the special census of 1965 help to illuminate the population trends between 1960 and 1970. From 1960 to 1965 the population of Collinwood dropped from 48,000 to under 46,000.<sup>67</sup> From 1965 to 1970 it went up to 47,000. The Appalachian whites that moved in during this period of time buffered Collinwood from so called "white flight." It is necessary to mention, however, that whites that moved in where

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<sup>65</sup> "Collinwood" Op. Cit.

<sup>66</sup> Aggarwal, Op. Cit. 2.

<sup>67</sup> Aggarwal, Op. Cit. p. 19.

predominantly poorer than those who moved out.<sup>68</sup> So while it might appear that Collinwood's population was relatively stable during this time, closer investigation shows that the period between 1960 and 1970 was one of great transition for Collinwood which saw a large influx of poor, young African Americans and Appalachian whites.

Between 1960 and 1970 there was a great deal of migration into Collinwood by African Americans. Along with this came a few incidences of violence that is often perceived as racially motivated.<sup>69</sup> Some have suggested that this was related to the civil rights movement that was active at the time. One particular incident has been related to the assassination of Dr. Martin Luther King.<sup>70</sup> Other theories suggest that the racial tension was due to blacks moving into neighborhoods with pre-existing strong ethnic identities like the Italian and Slovenian neighborhoods to the South and North of the yards respectively. Regardless of the cause of the violence, the fact that it happened may have been a contributing factor to increased emigration of white families.

A major event that shaped the course of Collinwood took place in 1961. The Lake Shore Freeway, now part of interstate route 90 was built through the center of Collinwood.<sup>71</sup> The building of the freeway heralded the end of the railroad as the dominant form of industrial transportation in Collinwood. No longer was the railroad the only means for industry to ship its products across

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<sup>68</sup> Aggarwal, Op. Cit. P. 2.

<sup>69</sup> "Collinwood" Op. Cit.

<sup>70</sup> Aggarwal, Op. Cit. P. 9.

<sup>71</sup> Aggarwal, Op. Cit. P 15.

the nation. The Semi truck and the trailer offered much more flexible transportation options and quickly became the method of choice for industries looking to move their products.

The social problems that Collinwood faced in the 1960s were compounded by the industrial exodus of 1970s and early 1980s that saw some of the major employers in Collinwood downsize, move to the suburbs or shut down entirely. The Fisher Body plant, which had employed 14,000 during World War II was down to 4,000 by 1946, cut back again in 1971 down to 3,200. The Fisher Body plant closed in 1982 leaving its remaining 1,700 employees jobless.<sup>72</sup> In 1980 the Collinwood population dipped to 38,250, below its level in 1970. The white population went down to 27,616, and the African American population was up to almost 10,634.<sup>73</sup>

In 1990 Collinwood's population dropped again to 33,817 while the African American Population went up again to 11,859.<sup>74</sup> The 1990 census data suggests that while the population is still declining, the rate of decline is not as high as it was in the past. One estimate that puts the 1997 population at 33,247<sup>75</sup> supports this theory. Yet even if Collinwood's population is stabilizing, the neighborhood still faces many other problems. Collinwood is subject to de facto racial segregation on an East/West basis which has lead to violence in recent years. Along with the racial segregation in Collinwood is an alarmingly high poverty rate. In North Collinwood, the poverty rate went from

<sup>72</sup> "Fisher Body Division of General Motors Corp" Op. Cit.

<sup>73</sup> "Cleveland, OH" US Census tract data for Cuyahoga county. 1980.

<sup>74</sup> "Cleveland, OH: US Census Tract data for Cuyahoga county. 1990.

<sup>75</sup> Estimate of 1997 population based on tract level data obtained from ArcView GIS.



eight percent in 1970, to eleven percent in 1980 and thirty percent in 1995. South Collinwood went from a poverty rate from twelve percent in 1970 to twenty five percent in 1980 and forty three percent in 1995.<sup>76</sup>

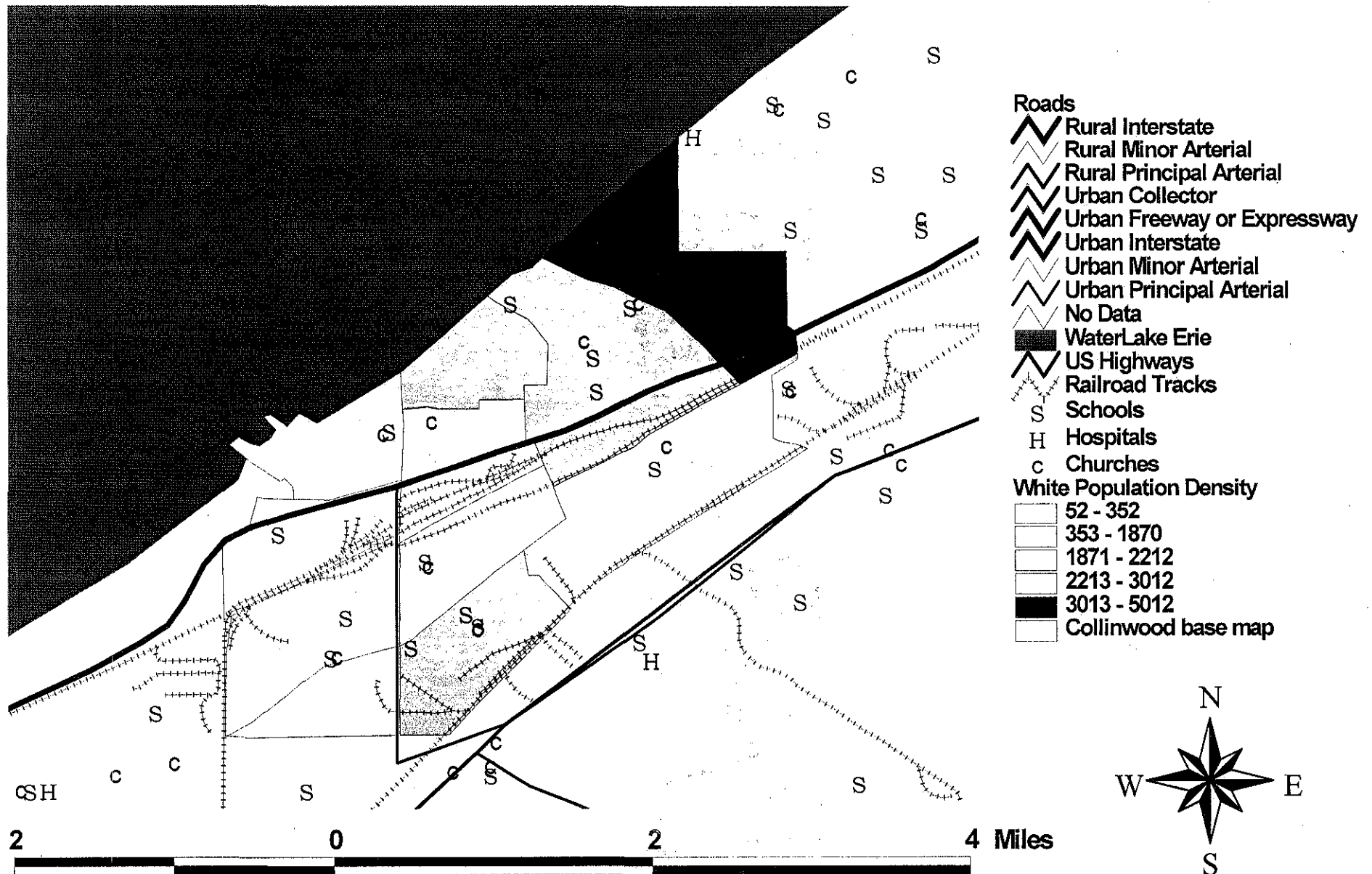
With, jobs, prosperity and members of the middle class leaving Collinwood rapidly, residents are left looking for answers. Some blame Cleveland public schools, others cite racial tension and lack of public facilities. Most would agree that Collinwood needs redevelopment. Within the Collinwood neighborhood lie what many see as the symptom, cause and potential solution to many of Collinwood's problems, environmentally contaminated under-utilized or vacant industrial sites: brownfields.

In an hours drive around Collinwood one can see hundreds of acres of abandoned industrial property. This is to be expected as Collinwood is the former industrial center of Cleveland that has been in a thirty year period of decline. Collinwood is not only the home of brownfields but also many vacant industrial sites where there are not known environmental problems. Coupled with the sites that do have some contamination the list of properties includes the National Acme building on Coit Road, the former Eaton Axle on the east side of E. 152nd street, the old Murray Bicycle plant, the old Gould Ocean Systems building on Saint Clair Avenue, the former home of General Motors' Fisher Body plant on East 140th and Coit road and the Collinwood Yards site, west of East 152nd

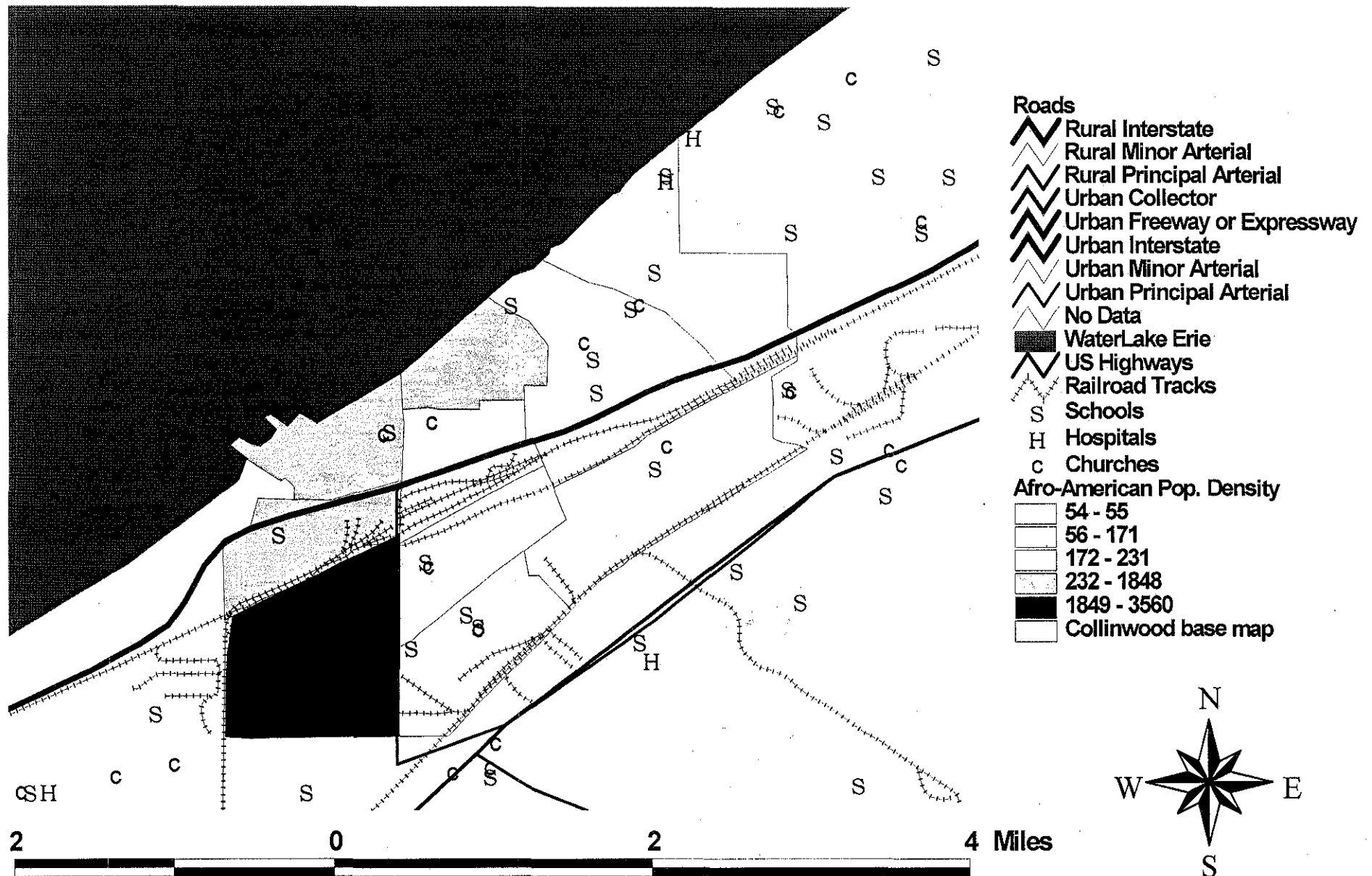
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<sup>76</sup> Perkins, Olivera, "Creating Jobs in Collinwood; Cleveland's Industrial Strategy Now Seeks to Retain, Recruit Small to Medium Firms" Cleveland Plain Dealer March 16, 1998., Final/All ed., sec. National: 1A.

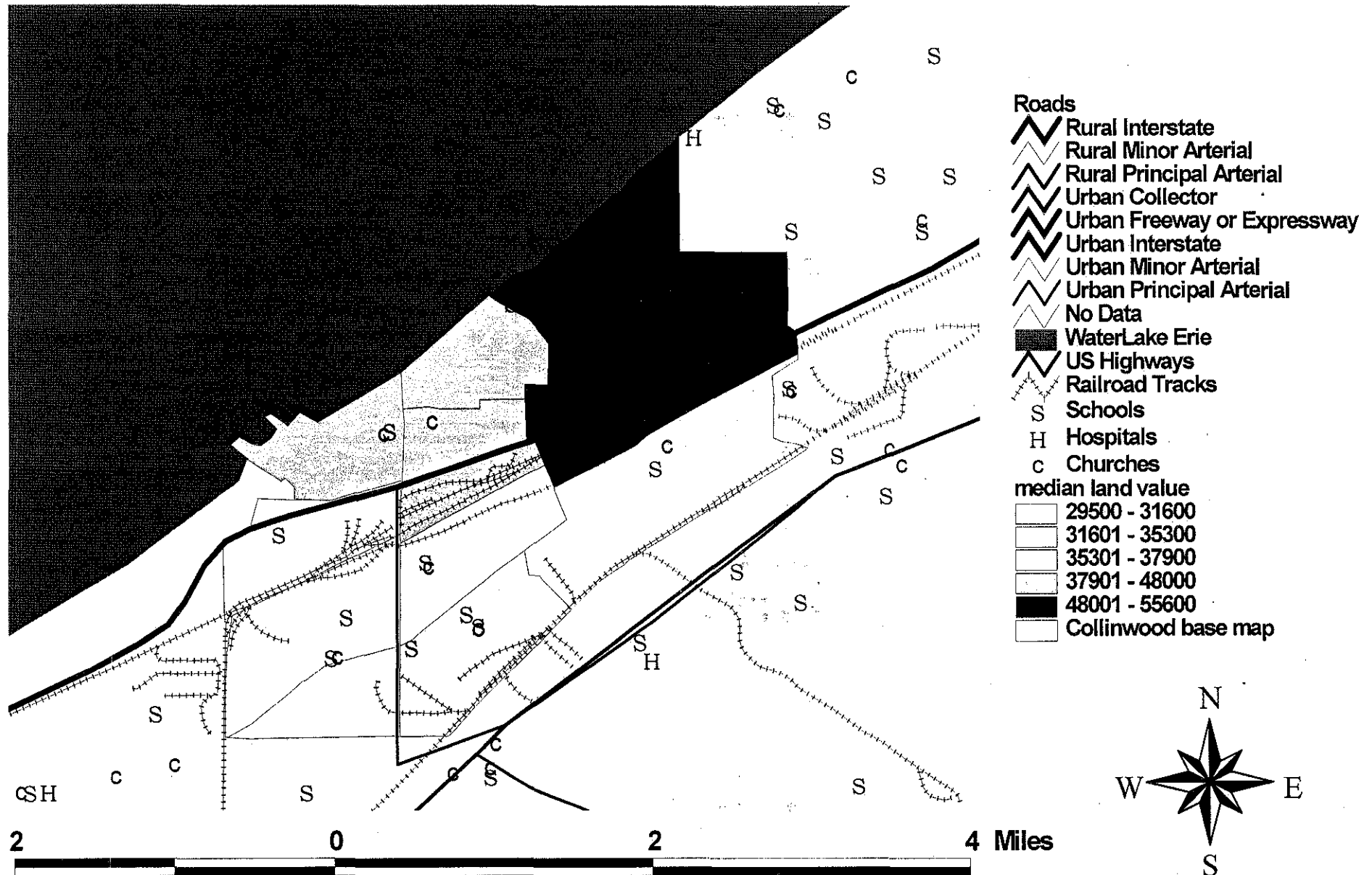
# White Population Density 1990



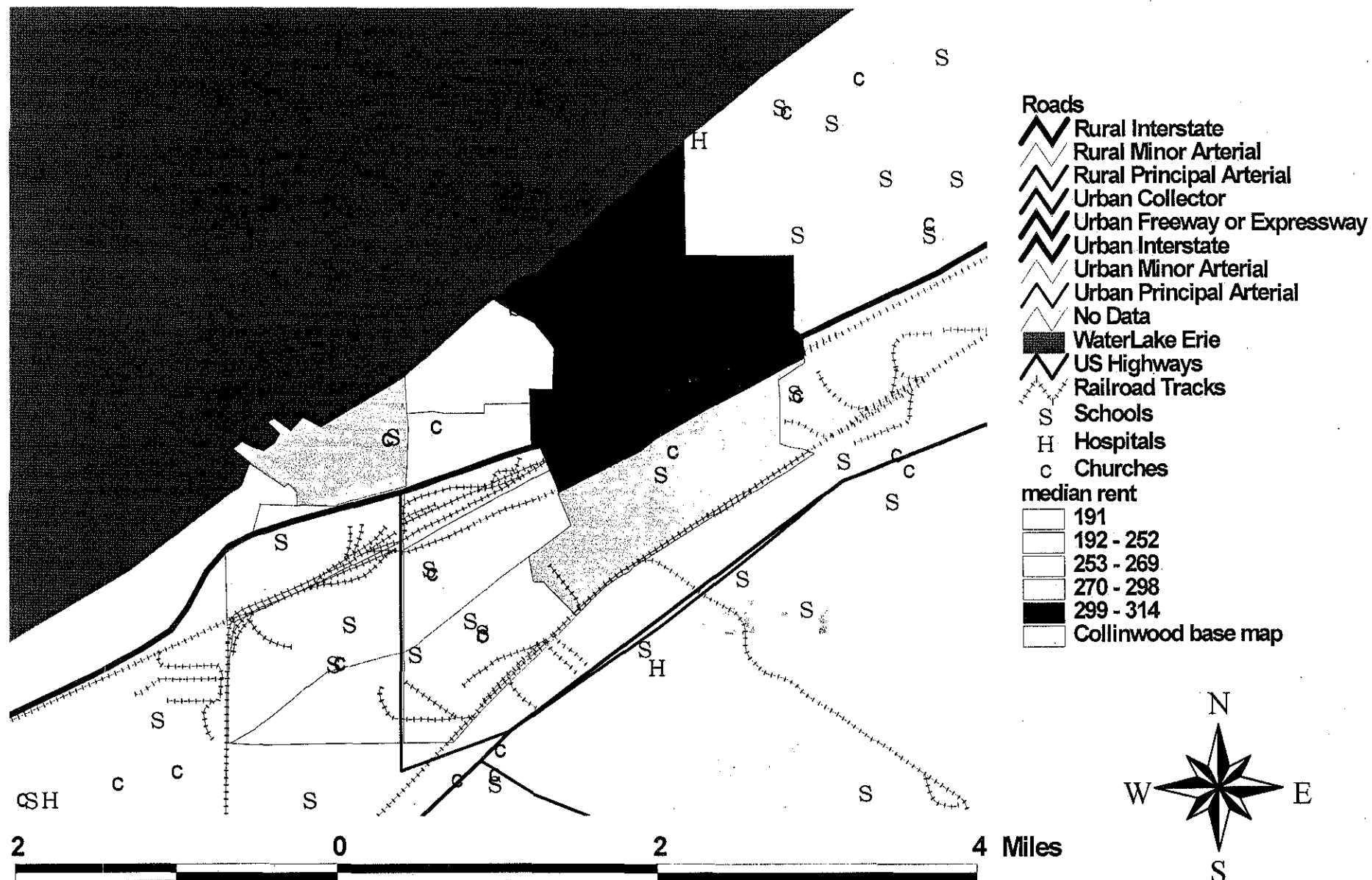
# Afro-American Pop. Density 1990



# Median Land Values 1990



# Collinwood Median Rents 1990



and South of Route 90. It is these last two sites which I will focus on in chapter four.

### **Effects of Suburban Migration and Regional Competition**

There were 10,369 industrial jobs in Collinwood in 1990, and while exact numbers for today aren't available, local business owners feel that industrial jobs are still declining.<sup>77</sup> 14,000 industrial jobs were lost in Collinwood from 1979 to 1985.<sup>78</sup> It is not simply that these jobs disappear because companies go bankrupt or downsize: it is often the case that companies move out of the city to build new facilities in suburban locations. The Case of Parker Hannifin well illustrates the problems of suburban migration that an area like Collinwood faces.

### **The Parker Hannifin Story.**

In 1996, after a drawn out and bitter political fight, the Parker Hannifin Gas turbine division moved from Collinwood to the Cleveland suburb of Mentor. Along with it went 50 jobs and a \$3 million payroll.<sup>79</sup> The major players in this growth conflict were Cleveland Mayor Michael White, Mentor Mayor Edward Walsh, the Parker Hannifin Company and the Ohio Department of Development.

The move was initially considered by Parker Hannifin when Mentor offered a five year seventy-five percent abatement on

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<sup>77</sup> Urban Land Institute Advisory Panel, Collinwood Neighborhood Cleveland, Ohio: Retooling an Older Industrial Community (Washington D.C.: Urban Land Institute, 1996) 18.

<sup>78</sup> Urban Land Institute. Op. Cit. 18.

<sup>79</sup> Gutterman, Roy S., "Parker Hannifin Plan Opposed," Cleveland Plain Dealer August 13, 1996, Final Lake County ed., sec. Metro: 1B.

personal and property taxes on the new Mentor site.<sup>80</sup> The move was predicated on a waiver from the Ohio Department of development.

Michael White was strongly opposed to the move and outlined his displeasure in a letter to the Ohio Department of Development saying "Clearly, the intent of the State law is to foster reinvestment in economically distressed areas, not to subsidize the flight of industry from distressed neighborhoods to affluent exurban locations, to abet further flight by Parker Hannifin from Cleveland and Cuyahoga County would be outrageous."<sup>81</sup> His main interest in this conflict was to retain industrial jobs in Cleveland.

Edward Walsh, who supported the move, was interested in moving more jobs into Mentor. While Parker Hannifin is planning to move Mentor, APSCO, another larger corporation, is leaving Mentor for greener pastures and economic incentives in Perry. His interests, like White's, were to create jobs and development.

Parker Hannifin's interest in the move were clear: to make more money by having to pay less in taxes and to get a new facility.

The Ohio Department of Development's interest is not so clear. What seems most likely is that they would benefit by having this new development in Mentor more than by simply having the Parker Hannifin facility remain where it was in Collinwood. If the goal of the Council is development then it would make sense that it favored the move. By allowing the move the Department of

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<sup>80</sup> Gutterman, Op. Cit.

<sup>81</sup> Gutterman, Op. Cit.

Development comes off looking like it supports and creates development Parker Hannifin stayed in Collinwood then there would be no new development to report.

Despite the rhetoric used by all sides about creating and retaining good industrial jobs, not a single job was created, saved or lost in the move. Furthermore, of the fifty employees of the gas turbine division only eight or nine actually live in Cleveland, the rest live in the suburbs.<sup>82</sup> After it moved out, Parker Hannifin gave its old Collinwood building to the Cleveland Clinic Foundation and in 1998 Meridia Health Systems, a subsidiary of the Cleveland Clinic, began to move into the building with plans to move over 300 employees to the facility.

In recent years there has been a nascent focus on redevelopment of industrial property in Collinwood. Chapter four will take an in depth look at the two largest redevelopments in Collinwood, Collinwood Yards and the Fisher Body plant.

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<sup>82</sup> Gutterman, Op. Cit.



## **Chapter 4: The Creation of Brownfields in Collinwood**

The Collinwood neighborhood is currently undergoing many brownfield redevelopment projects. This chapter will focus on the history and current state of Collinwood's two largest redevelopment projects, The Collinwood Yards site and The Fisher Body Plant on Coit Road.

### **The Collinwood Yards Site**

The 1996 United States Conference of Mayors survey identified one of Cleveland's major brownfield sites as Collinwood Yards, a site on the East Side of Cleveland. The Collinwood Yards site, in the South Collinwood neighborhood, was the former home of a major Conrail railroad yard. It was used for "major railroad repair, painting, switching and administrative functions."<sup>83</sup> At the time of the survey, the much of the site was, and still is, in use by Conrail. A 48 acre parcel on the site, the former home of a repair facility, remained idle since its sale to developer Arthur Bates for \$1.4 million in 1982.<sup>84</sup> At the time of the sale from Conrail to Bates an unknown level of environmental contamination existed on the site.

The Collinwood Yards site is right next to route 90 and E. 152nd street, with easy access to and from the highway, and adjoins the Conrail tracks in a part of Collinwood yards that still operates as a freight yard. It is ideally situated for

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<sup>83</sup> "Impact of Brownfields on United States cities: A 39-City Survey." The United States Conference of Mayors. Washington D.C., 1996. p. 2.

<sup>84</sup> Lubinger, Bill. "Collinwood Yards Deal in the Works; Developer Plans Industrial Park on Former Conrail Site." Cleveland Plain Dealer January 25, 1997, Final/All ed., sec. National: 1A.

industry with its easy access to both major roads and rail. According to a survey by the Urban Land Institute the site has "Excellent rail and highway access making it attractive for intermodal freight transfer operations."<sup>85</sup> In spite of its good location, the site remained undeveloped under the ownership of Arthur Bates. His plans for a mixed use industrial complex were never realized. In 1995, Ward 11 Councilman Michael Polensek commented "At present, the complex is a complete eyesore, I want to see it redeveloped and I don't know if that will happen under the current ownership."<sup>86</sup>

The property was so ripe for redevelopment that the city considered buying it from Bates. The State's interest in the site, however, did not lead to its purchase. Instead the site was purchased from Arthur Bates by developer Michael Osborne for \$1.3 million in March of 1997.<sup>87</sup> At the time of its purchase, Osborne already had a tenant interested in relocating to the site. The Jergens Corporation, a specialty tool maker, was offered a \$1 million, 20 year loan from the State with 4% interest to locate at the Collinwood Yards site. Osborne was offered a \$1 million grant from the city to help the cleanup of the site. In addition to the city grant the State was considering another grant of \$1 million aid the cleanup and redevelopment process.<sup>88</sup> According to Osborne's lawyers, cleanup costs at the time of the purchase were

<sup>85</sup> "Collinwood Neighborhood Cleveland OH, Retooling an Old Industrial Community." (Washington, D.C.: The Urban Land Institute, 1997) 29.

<sup>86</sup> Bullard, Stan. "City Eyes Acquiring Collinwood Yards Site." Crains Cleveland Business September 4, 1995, sec. News: 20.

<sup>87</sup> Lubinger, Bill "Developer Osborne Purchases Rail Yards." Cleveland Plain Dealer March, 19, 1997, Final/All ed., sec. Business: 1C.

<sup>88</sup> "Developer Osborne Purchases Rail Yards." Op. Cit.

estimated at \$2 million.<sup>89</sup>

On May 19, 1997 the \$1 million State grant came through.<sup>90</sup> At the time estimates of cleanup costs had risen to \$4.8 million.<sup>91</sup> The Jergens corporation had also agreed to locate their new 120,000 square foot, \$15 million headquarters on the Collinwood Yards site. Jergens would move its operation to the Yards site and gain access to the railroads and the interstate. Jergens' decision to move from its old site in North Collinwood to the Collinwood Yards site instead of a site outside of the city was trumpeted by politicians and developers alike as a victory for Cleveland, keeping 230 jobs in the city.<sup>92</sup>

The Collinwood yards site received the urban setting distinction in May of 1998 allowing Osborne to develop the site without cleaning up existing groundwater contamination. It is the hope of developers and the Ohio EPA alike that giving Collinwood Yards the urban setting distinction removed the a last hurdle to the most ambitious brownfield redevelopment project in Cuyahoga county to take advantage of the VAP to date according to Virginia Aveni, Cuhayoga County's Brownfield Redevelopment Coordinator.<sup>93</sup>

Following the urban setting distinction given by the Ohio EPA

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<sup>89</sup> "Collinwood Yards Deal in the Works; Developer Plans Industrial Park on Former Conrail Site" Op. Cit.

<sup>90</sup> Hallett, Joe. "State Grants of \$2 Million Go to Cleveland." Cleveland Plain Dealer, May, 20, 1997, Final/All ed., sec. Ohio: 4B.

<sup>91</sup> "State Grants of \$2 Million Go to Cleveland." Op. Cit.

<sup>92</sup> "State Grants of \$2 Million Go to Cleveland." Op. Cit.

<sup>93</sup> "Collinwood Yards Redevelopers Want to Leave Tainted Water Alone." Op. Cit.

in May, the OEPA granted a covenant not to sue to the 13 acres of the Collinwood Yards Site where the Jergens Building was planned.<sup>94</sup> This was the first time in the history of the State's VAP that a site had been granted a covenant not to sue to an urban setting distinction site.<sup>95</sup> On May 8, 1998, Jergens broke ground on their new \$15 million headquarters and became the first and only tenant of Michael Osborne's new industrial park.<sup>96</sup> In addition to the \$1 million low interest loan Jergens received from the State, it is also the beneficiary of a 10 year, 75% tax abatement on all real and personal property per the rules of the VAP.<sup>97</sup>

In May, 1999 Michael Osborne began the planning process for developing the rest of the lot. He plans to build a 100,000 square foot office building and warehouse although he hasn't secured a tenant for the \$3.5 million building.<sup>98</sup> In hopes of breaking ground in the fall of 1999 Osborne initiated talks about city approval and funding with Councilman Michael Polensek. Said

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<sup>94</sup> Porter, Wright, Morris & Arthur, "First Covenant Issued for USD," Ohio Environmental Law Letter Volume 8 Issue 5 (September 1998).

<sup>95</sup> N.B. Although the State guaranteed not to sue under CERCLA, Federal government retains its right to sue under CERCLA because Ohio's VAP does not meet Federal monitoring standards.

<sup>96</sup> "Collinwood Yards Redevelopers Want to Leave Tainted Water Alone." Jim Nichols, Cleveland Plain Dealer. March 12, 1998 p. 1A.

<sup>97</sup> Perkins, Olivera, "Creating Jobs in Collinwood: Cleveland's Industrial Strategy Now Seeks; to Retain, Recruit Small to Medium Firms," Cleveland Plain Dealer March 16, 1998, Final/All ed., sec. National: 1A.

<sup>98</sup> Bullard, Stan. "New Office Building Slated for Collinwood Yards Park," Crain's Cleveland Business May 3, 1999: 2.

Polensek of the talks "I have no opposition to another building going in on the site. We want to see jobs and a certain appearance there. We're looking for what people call the 'wow' factor when they see the park. If it can blend in with the Jergens Building, I would strongly consider supporting city incentives for this project."<sup>99</sup>

Today the Jergens building is complete. There are new roads that lead to the Collinwood Yards industrial park from both East 152nd street and route 90. There is a new traffic signal and a new billboard but as of March 26, 2000 there were no signs of construction on the rest of the site. If Osborne does plan to go through with the speculative warehouse and office building complex, he is behind his own schedule. Still, the Jergens Building stands out as one of the only new buildings in this part of Collinwood and may be a signal of further development.

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<sup>99</sup> "New Office Building Slated for Collinwood Yards Park," Op. Cit.



Jergens Building and adjacent lot.



## Coit Road Fisher Body Plant

The site of another major brownfield redevelopment effort in Collinwood sits on the corner of East 140th street and Coit road, about a mile to the Southeast of the Collinwood Yards site. Once the home to General Motor's Fisher Body Plant which at one time employed over 14,000 people, the 1.5 million square foot site is now vacant. It was purchased by the State of Ohio in 1985 as part of an economic reuse effort. PCB contamination was found and the State of Ohio began a six year cleanup plan in 1991. "The site is located in a working class neighborhood surrounded by residential land uses, except for freeway and rail to the north. Because the site has remained vacant for so long, the neighborhood has experienced a significant loss of population as former employees of the site have moved from the area."<sup>100</sup> .

In February of 1982 General Motors announced plans to close its Fisher Body Plant in South Collinwood. The facility closed in 1982 and left 1,300 hourly and 400 salaried workers jobless.<sup>101</sup> What had been the center of Collinwood's industry in the 1930s forties and fifties was left vacant. General Motors cited age of the plant, its excess and unused capacity and the cost of labor as reasons for closing the plant. The general manager of the Fisher Body plant said "these are always difficult decisions for us because we have been located in these facilities for a very long time. However, we have been unable to operate these plants at costs which are competitive with those of other domestic

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<sup>100</sup> "Impact of Brownfields on United States Cities" Op. Cit., p. 12

<sup>101</sup> "Fisher Body Division of General Motors Corp." Op. Cit.

suppliers."<sup>102</sup>

### **The Ownership and Contamination History**

GM was looking to sell its Fisher Body plant from the day it moved out. The State of Ohio had been considering buying the site and building a new prison on it. The State corrections department rejected the site because it was too small for the planned 1,250 bed facility. The asking price at the time was \$1.8 million despite three disparate appraisals of \$5 million by GM, \$8.2 million by the Cuyahoga County Auditor and \$1.8 million by the State of Ohio.<sup>103</sup>

Instead of selling to the State GM decided to sell the property in mid 1984 for \$300,000 to the National Council for Community Development (NCCD), a non-profit organization focused on spurring community based development. The deal was ideal for GM because selling to a non-profit focused on redevelopment gave the appearance that new jobs would soon be created to replace the ones lost and it also gave GM a multi-million dollar tax write off for selling the property at a price well below its appraised values.<sup>104</sup>

Part of GM's deal with the NCCD was that the NCCD would immediately transfer the property to the Park Corporation, which owns the I-X center at Cleveland Hopkins Airport. NCCD sold the site and all equipment on it to Park for \$500,000 with the understanding that Park would perform \$1.5 million in improvements and repairs over a five year period. NCCD made a \$200,000 profit,

<sup>102</sup> "Dateline Cleveland," United Press International sec. Regional News: February 25, 1982.

<sup>103</sup> Mangelis, John "Mess Grew in Series of Errors" Cleveland Plain Dealer June 14, 1993, sec. National: P. 1A.

<sup>104</sup> "Mess Grew in Series of Errors" Op. Cit.



which went into an endowment for future projects, and Park got the land at a fraction of its appraised value and the rights to sell the equipment which was appraised by the county to be worth \$3.9 million.<sup>105</sup>

A few months after the sale to Park the State of Ohio showed renewed interest in the site because of it was unable to find any other sites in Cleveland suitable for prison development. Then mayor of Cleveland George Voinovich pushed for the Collinwood site and was backed by city officials including City Planning director Hunter Morrison and George Forbes, head of the City Council. In spite of protests by hundreds of Collinwood residents against the prison plan, the Coit road site was chosen. In October, 1985 the State hired environmental inspectors found twelve soil samples from the site to contain no hazardous materials. Based on the initial environmental assessment, the State bought the land from Park on November 2, 1985 for \$975,000, just eighteen months after Park's purchase from the NCCD. Park profited by \$475,000 from the sale and in so doing violated its agreement with the NCCD to redevelop the property. The director of the NCCD said that he would not have sold to Park if he had known they were going to turn around and sell it to the State for use as a prison.<sup>106</sup>

Despite the State's plans to build on the site, citizen opposition proved too strong. On June 26, 1986 the city council passed an ordinance that denied water, sewage, electricity, garbage collection, police and fire department services to the

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<sup>105</sup> "Mess Grew in Series of Errors" Op. Cit.

<sup>106</sup> "Mess Grew in Series of Errors" Op. Cit.

Coit Road site. The Council was pushed to this decision after receiving over 5000 signed petitions from Collinwood residents who were against the prison development. In spite of the political roadblock set up by the city council, the director of corrections, Richard P. Seiter, was encouraged to continue with the project by Voinovich and Forbes even though Forbes had voted for the city council ordinance and Voinovich didn't veto it. Seiter claimed that he was assured privately, by both Voinovich and Forbes, that the city council's ordinance would be struck down in court.<sup>107</sup>

By mid 1986 the city had spent almost \$2 million on the site in acquiring the land, paying for environmental assessment and architectural plans for the new prison. Just before the council voted to block services to the site, a second set of environmental inspections by a different firm than originally used by the State revealed grave findings. The report found hundreds of fifty five-gallon drums containing unknown liquids most likely left by GM, and asbestos laced insulation that was apparently removed from equipment that was sold by Park. Furthermore the report suggested that thirty-eight transformers and other electrical equipment at the plant was likely to contain Polychlorinated Biphenyl (PCB) a known carcinogen.<sup>108</sup>

By May, 1988 the corrections department's case against the city council was still in court and with prison overcrowding becoming an increasing problem the corrections department decided to abandon the Coit road property in favor of a location outside

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<sup>107</sup> "Mess Grew in Series of Errors" Op. Cit.

<sup>108</sup> "Mess Grew in Series of Errors" Op. Cit.

of Cleveland in Grafton. While the the city council's order to deny services proved successful in blocking prison project on Coit road it also had the unintended consequence of preventing the city from cleaning up the new found hazardous waste, a consequence which would prove disastrous.

The corrections department had kept hired guards on the site to prevent vandalism since they bought it in 1985. When prospects for the prison became dim the corrections department decided to stop hiring guards in July, 1987, despite warnings from contractors that vandals had been scrounging the site for copper since June, 1987. The property remained unguarded until February, 1988 when inspectors from the Ohio EPA found asbestos insulation all over the plant and PCB containing liquid leaking from transformers that had been ripped open and stripped of their metals, presumably by vandals.

The newfound contamination prompted the corrections department to hire guards again in February, 1988. The contamination got worse though, exacerbated by continued vandalism. The corrections department blamed the continued vandalism on incompetence of some of the hired guards. During the period between mid 1988 and early 1989 all of the aluminum siding was removed from the plant as well as some of the structural I beams, an operation which, according to an overseer from the corrections department, would require a crane and a large truck, something that surely couldn't have slipped by even semi-alert guards. During this same period of time further environmental

investigation recommended immediate action to contain possible leakage of PCBs from the vandalized transformers.

By mid 1990 the contamination at Coit Road was so severe that the Ohio EPA ordered an immediate emergency cleanup of the most contaminated areas of the site. Over the course of seven months, the emergency cleanup team removed eight PCB containing transformers, 530 tons of PCB contaminated debris and flooring, 27,000 gallons of contaminated water and 1,200 bags of asbestos. The Ohio EPA allotted \$5.7 million for this original cleanup which began in 1991.<sup>109</sup>

In March, 1993 the Ohio EPA allotted an additional \$17.2 million for additional cleanup of the site. The additional allotment prompted then governor George Voinovich to say "This entire project is a complete disaster, and I am enraged that the State of Ohio is taking such a beating on this piece of property."<sup>110</sup> The cleanup efforts ended officially on March 25, 1998 when the Ohio EPA announced that the site was clean enough to be redeveloped.<sup>111</sup> The total combined cost for all of the different cleanup efforts was \$38 million. Efforts to get GM to pay for some of the cleanup costs are still underway and have yet to bear any fruit as GM claims no responsibility for the pollution on the site.

During the course of the demolition of the old GM buildings neighboring houses along East 139th street suffered structural

<sup>109</sup> Robles, Frenchie, "Neighbors Hope Cleanup Arrives for Coit Rd. Site," Cleveland Plain Dealer March 21, 1993, Final/Medina/Summit ed., sec. Metro: 11B.

<sup>110</sup> "Mess Grew in Series of Errors" Op. Cit.

<sup>111</sup> Ohio EPA News Release March 25, 1998 "Ohio EPA Gives Final OK to Coit Road Cleanup."

damage. Approximately fifteen homes on east 139th street suffered cracks in the foundation of their house or other structural damage.<sup>112</sup> The State has already denied any responsibility for the damage. The State did, however, consider allocating \$250,000 to power wash and repaint fifty houses adjacent to the Coit road site. Councilman Roosevelt Coates, and many residents believe this money should go toward repairing structural damage first. Many residents are outraged that the State spent \$38 million to clean up the Coit road site and will not come up with \$75,000, the estimated cost of the damage to the homes.<sup>113</sup>

Soon after the site was deemed clean and ready for redevelopment, the State entered into a 99 year lease agreement with Forest City Enterprises of Cleveland.<sup>114</sup> Forest City, the same company that developed Tower City in downtown Cleveland, plans to redevelop the land as an industrial park under the name of Water Tower Park. Preliminary estimates suggest that the new facility will bring as many as 1,900 industrial jobs to Collinwood.<sup>115</sup> As of March 20, 2000 there was no physical evidence of development on the property. According to John Neely, representative of Forest City, the Water tower Park is in the "final planning stages of development." He also said that a covenant not to sue was pending from the State of Ohio. He provided no information on the terms of the lease nor the tax

<sup>112</sup> Perkins, Olivera "Body Neighbors Are All Shook Up; Demolition Cracked Foundations at Nearby Houses, Councilman Says," Cleveland Plain Dealer October 29, 1998, Final/All ed., sec. Metro: 4B.

<sup>113</sup> "Body Neighbors Are All Shook Up; Demolition Cracked Foundations at Nearby Houses, Councilman Says," Op. Cit.

<sup>114</sup> "Comeback on Coit Road; Collinwood Property-Former Home of Fisher Body is Latest to Benefit from Developers' Attention" Cleveland Plain Dealer December 3, 1998, Final/All ed., sec. Editorials & Forum: 10B.

<sup>115</sup> "Comeback on Coit Road" Op. Cit.

status of the property. He would only say that Forest City plans to build a speculative industrial park on the property in the hope that someone would lease the space from them. He believed that there was good chance that the property would fill up soon after the redevelopment is complete.<sup>116</sup>



Fisher Body Site,



Homes Across the street  
from the fisher site

<sup>116</sup> Telephone conversation with John Neely, Land Division, Forest City Enterprises. April 25, 2000 2:30pm.

## **Chap 5: The Success or Failure of the Collinwood Redevelopment Efforts and its Implications for Future Policy.**

If my research has made one thing clear to me it is that the VAP and associated redevelopment efforts benefit developers. The State's efforts clearly encourage redevelopment, especially within the purview of the VAP, the Urban Setting Distinction (USD) is a key to redevelopment. A second site across the street from the Collinwood Yards, former home of Eaton Axle has applied for a USD. The USD can significantly decrease cleanup costs. Additional State funding clearly aided in the development of Collinwood Yards. My original research question was who reaps the benefits of the State's monetary and political attention toward brownfield redevelopment. The most obvious beneficiary to me are land developers who can acquire cheap land, perform limited environmental cleanup with the help of State funds and turn around and make a profit by developing the land.

The next obvious beneficiary of the State's redevelopment efforts are industries that move into redeveloped brownfield sites. They often receive large tax abatements, seventy five percent for ten years in the case of VAP sites, for choosing to locate in a redeveloped brownfield.

Do the communities where brownfield redevelopment takes place benefit? This is somewhat unclear to me. They certainly benefit from any reduction of environmental hazards, although in the case of both sites I examined the environmental contamination was

deemed non hazardous to the health of residents. Ever since the inception of the USD, many environmentalists been wary of it. They saw it as an intentional weakening of cleanup standards for the sake of quick redevelopment and have questioned its broad application to the entire city of Cleveland in May, 1999.<sup>117</sup> Whether or not contaminated groundwater from uncleaned brownfield sites will eventually make it into Lake Erie remains to be seen, and whether or not any groundwater cleanup would prevent future contamination of drinking water supplies is certainly questionable. What is clear is that the USD has helped spur brownfield redevelopment. What the VAP and associated efforts have also proved is that they can spur development of land in spite of other barriers to redevelopment such as security location and the lack of a skilled labor force.<sup>118</sup>

The common argument that redevelopment puts more tax money onto the payrolls is supported by my research, but it isn't clear how much tax money is actually added. As best I can tell the Jergens Company, and Michael Osborne's development company will only pay taxes on twenty five percent of their property value for the next ten years. While this will add tax revenue that wasn't there before, it may not add a significant source of revenue for ten years. I was unable to determine the provisions of the lease of the Coit Road property so I can make no judgment about the amount of tax revenue it will create. What I can ask of both sites is whether or not the tax revenue generated by this

<sup>117</sup> "An EPA Ruling to Grow on; Freeing Cleveland of Groundwater Cleanup Chores Should Make 'Brownfields' Far More Attractive," Cleveland Plain Dealer May 12, 1999, Final/All ed., sec. Editorials & Forum: 8B.

<sup>118</sup> Collinwood Neighborhood Cleveland OH, Retooling an Old Industrial Community. Op. Cit. pp. 17-18.



redevelopment will offset the millions of tax dollars invested in these sites? Only time will tell.

One of the primary arguments for brownfield redevelopment's benefit to the community is job creation. In both my cases no new jobs were created immediately save for the temporary jobs associated with construction, demolition and environmental cleanup. In the case of the Collinwood Yards site, Jergens simply moved and expanded. They plan to create 30 new jobs over the next five years.<sup>119</sup> Will those jobs go to Collinwood residents? Potential employers worry that there is not enough skilled labor in Collinwood to fill jobs their industrial jobs as 26 percent of Collinwood residents over 18 don't have a high school diploma.<sup>120</sup> The main recruitment strategy for the Water Tower Park development is to recruit existing industry to move into Collinwood.<sup>121</sup> Will this create new Jobs for Collinwood residents, will it move existing jobs to a new location within Collinwood or will it take jobs away from another community like Collinwood?

So I ask the question again, does redevelopment necessarily benefit community? It can certainly provide some additional tax revenue, some degree of environmental cleanup and improve the image, both aesthetic and perception of a community. Collinwood's neighborhood is a proud one and many residents and business owners want to see Collinwood reach its former heights again.<sup>122</sup> Yet there seemed to be little community interest in the Collinwood Yards

<sup>119</sup> "Comeback on Coit Road." Op. Cit.

<sup>120</sup> Collinwood Neighborhood Cleveland OH, Retooling an Old Industrial Community. Op. Cit. p. 18.

<sup>121</sup> "Comeback on Coit Road." Op. Cit.

<sup>122</sup> Collinwood Neighborhood Cleveland OH, Retooling an Old Industrial Community. Op. Cit. p. 16.

redevelopment and mixed feelings about the Coit Road project.

Whether these benefits are outweighed by the costs of the VAP and other monetary, political and environmental costs of redevelopment remains to be seen. What will happen in ten years when the Jergens plant has to pay full taxes on their site? Will they be enticed to move out of Collinwood like the Parker Hannifin company was? What will happen to Collinwood's poverty rate? Will Collinwood remain segregated? Will companies move into Water Tower Park? Who will work there? Will there be new jobs or just old ones that have moved? Is there any human health benefit from the environmental cleanup? Is there any cost if the cleanup is incomplete? Will the increased tax revenues help get Cleveland Public Schools out of Bankruptcy?

While it is pretty clear to me that the VAP and associated efforts promoting brownfield redevelopment do benefit developers and industry, the question in my mind is still whether or not industrial redevelopment benefits community. The evidence from Collinwood does little to definitively answer this question. The short term benefits are relatively small and difficult to measure; the long term benefits are impossible to measure at this time.

### **Lessons from Collinwood**

#### **Regional Development Strategies Needed**

What struck me particularly about the process of brownfield redevelopment in Collinwood and the migration of business to and

from Collinwood was the seeming lack of any direction or strategy for industry on a regional basis. With suburbs taking advantage of enterprise zones<sup>123</sup> until recently, offering tax abatements to industry and the promise of new facilities, it is no wonder many companies left the city. It is clear to me that haphazard regional competition for industry will lead to the creation of more brownfields in urban areas, especially if the economy slows from its current torrid pace of expansion.

If the State truly wants to see a revitalization of cities, especially old industrial neighborhoods, they need to stop giving huge tax breaks for suburban development, as in the Parker Hannifin Case. Suburban development has the potential to contaminate or at least pave over clean and undeveloped land while leaving residents of cities who can't afford to move or commute to the suburbs without a job. A set of regional priorities would need to be established: included in these goals would have to be strategies for development, redevelopment, transportation, environment and community. With clearer idea of what all members of the region want to accomplish and what programs would be most beneficial to the most people the State could move forward to an era of regional cooperation.

### **Urban Green space and Sustainable Redevelopment**

What is also clear to me is that distressed urban neighborhoods, such as Collinwood, might benefit more from non-

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<sup>123</sup> "Don't Extend the Enterprise Zone; Ohio's Program Has Strayed from Its Original Purpose," Cleveland Plain Dealer May 6, 1999, Final/All ed., sec. Editorials & Forum: 11B.

industrial redevelopment of brownfields. Collinwood, South Collinwood especially, is basically devoid of green space. There are few trees on East 152nd street, parks and recreational facilities are hard to come by. Any sort of park or recreational facility would help.

Various studies from the mid 1960s and early 1970s have recommended the addition of a community center to serve the youth of Collinwood as many youths are not served by the existing youth service agencies in Collinwood.<sup>124</sup> One of the only places that offered youth services, the YMCA on E. 152nd just south route 90, closed in 1982.<sup>125</sup> The closing of the YMCA created an even greater need for youth and recreation services in Collinwood.

In 1985, then mayor of Cleveland, George Voinovich promised Collinwood a new recreation center and almost \$5 million was allocated to build one.<sup>126</sup> Yet to this day ground has not been broken due primarily to a conflict between local councilmen Roosevelt Coates who represents South Collinwood and Michael Polensek who represents North Collinwood.

Coates, who is African American, has represented the South Collinwood District for twelve years. His district is predominantly black, has a higher rates of crime, unemployment and juvenile delinquency and lower land values than Polensek's ward 11, which despite a recent influx of African Americans, remains predominantly white. The two councilmen, Coates and Polensek are

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<sup>124</sup> Aggarwal, Op. Cit. p 8.

<sup>125</sup> Perkins, Olivera, "New Rec Center Stalled by Council Turf Battle," Cleveland Plain Dealer March 15, 1999, Final ed., sec. Metro: 1B.

<sup>126</sup> Perkins, Olivera, Op. Cit.

the major players in this growth conflict.

There is one more major player in this growth conflict, mayor Michael White. White has made deadlines to site the new recreation center and has let each of self imposed deadlines pass. He has cast this conflict in a racial light and suggested that there needs to be more dialogue between residents of North and South Collinwood so that mutually agreeable site will be found. However given the drawn out nature of this conflict, and the increasing racial stratification between North and South Collinwood waiting for the Councilmen to find a mutually agreeable site is tantamount to not building the recreation center in the foreseeable future.

The original plan was to locate the center at a site in the North Collinwood neighborhood. Councilman Coates opposed the siting in North Collinwood since his first days in office. His two main interests in opposition of the North Collinwood siting appear to be getting a facility that would have a high use value for his constituents by serving the desires of his constituents getting himself re-elected. It would appear that even though he hasn't succeeded in bringing the recreation center to South Collinwood he has succeeded in remaining in office for twelve years. Obviously he is doing something that the residents of South Collinwood like.

Polensek has the same basic interests as Coates, to get a something with use value to locate in his ward and to please his constituents. Polensek, despite being unable to get the center

located in his ward has remained in office for twenty two years, suggesting that he too is doing something right.

Michael White's interests in the recreation center project are more difficult to gauge. Perhaps he would like to see the recreation sited in the place that would provide the most benefit to the most people. If he could successfully mediate the growth conflict it would certainly look good politically. White's insistence that the majority of both wards be satisfied with any potential site has so far meant that no recreation center has been built and nobody benefits. Why won't White take a more active role in mediation? Perhaps the sides are so far apart that the chance for a site that is amenable to both parties is unlikely. Both sides have called for White to make a decision but he has yet to do so and the community remains without adequate recreation and youth services.

With the focus on creating jobs as the first priority or redevelopment, ideas of creating urban green space, something that would directly benefit the community, and sustainable redevelopment of the land get lost. It is important to remember that it was industry that created brownfields in the first place. If the goal of brownfield redevelopment is simply to resuscitate industry, what is to prevent new industries from creating new brownfields down the road? The basic idea is "that successful brownfields redevelopment can also be ecologically, economically and socially sustainable. By integrating concepts of sustainable development, brownfield redevelopers can avoid re-creating

brownfields and their continuing legacy."<sup>127</sup>

One key thing that could be done in Collinwood and perhaps elsewhere would be to link the new industries with the local residents and community. Industry could help local schools through financial support in return for technical training which would increase their access to a skilled labor force for example. Communities would benefit from redevelopment projects tax revenue generated were specifically earmarked for the local schools, which in Collinwood and the rest of Cleveland are in sad shape. If redevelopers were careful and diligent about their environmental practices and their disposal of any hazardous materials the risk of creation of future brownfields would be diminished.

In a society that is undergoing a post industrial transformation, that is a shift in the economy from a manufacturing based economy to a service based economy, it is important to consider that spending millions of tax dollars on industrial retention may not be a successful long term strategy. Increased investments in education, greenspace and recreation could help residents of industrial neighborhoods can have a better chance at competing in the post industrial service based economy for high paying jobs. With increased mechanization of industry and global competition for cheap labor, low skill high paying jobs will become less and less available, making it all the more necessary for education and retraining for people to succeed in a new hi-tech/industrial economy.

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<sup>127</sup> United States Environmental Protection Agency, A Sustainable Brownfields Model Framework (Washington D.C.: United States EPA, 1999) i.

## **Suggestions for Further Research**

My research is by no means a complete evaluation of the benefits of brownfield redevelopment. This is partially due to the time constraints of my study and the difficulty in obtaining qualitative measures of benefit, such as actual tax revenues. Future research on the subject should to evaluate developments benefits to community quantitatively and qualitatively over time. Quantitative research should at least include a long term look at poverty rates, exact tax revenues generated by redevelopment projects, crime rates, jobs created, jobs retained, population growth/decline and changes in population makeup. Qualitative research should look to see what benefits are generated by brownfield redevelopments over the long term, including but not limited to the state of local schools, retail business, interviews with community members, politicians, and business owners.

## **Brownfields as a Political Issue**

Brownfield redevelopment has recently become a salient political issue. Many politicians, notably Republican presidential candidate George W. Bush, see the brownfields issue as an opportunity to weaken CERCLA as a whole.<sup>128</sup> It is important to note that while CERCLA has not been efficient in its cleanup efforts it is improving; it has also had some unintended, but positive effects in the area of source reduction. Companies that

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<sup>128</sup> Lautenberg, in "Brownfield Liability and Resource Issues." p. 4.



fear PRP liability are less likely to produce hazardous materials in the first place because of the high costs of proper disposal.<sup>129</sup> Furthermore, the changes in Federal policy outlined here are designed to facilitate brownfield renewal by easing liability on redevelopers, not polluting industries. So in encouraging brownfield redevelopment it is important not to lose hard gained ground in the process.

What worries me about Bush's recent use of brownfields as the center of his environmental agenda is his perception that Superfund sites and brownfield sites are interchangeable and that methods that work to cleanup and redevelop brownfield sites would be applicable to Superfund sites as well.<sup>130</sup> Putting Federal Superfund sites into the hands of State run VAPs based on Federal standards is dangerous. If the State can say a site is clean who oversees the State to make sure that this isn't abused to put land back into immediate use. Superfund sites are those identified as imminent hazards to human health. VAPs are designed for sites with low levels of contamination. To apply relaxed cleanup standards to sites that are defined as human health risks is creates the potential for disaster.<sup>131</sup>

In February of 2000 Governor Bob Taft proposed a \$200 million tax expenditure in the coming fiscal year for the sake of helping to clean up brownfield sites.<sup>132</sup> Taft's plan is far more innocuous

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<sup>129</sup> Szasz, Op. Cit. pp. 142-143.

<sup>130</sup> "PrimaryDiner's Daily Brief," PrimaryDiner.com April 4, 2000, : [http://www.primarydiner.com/daily\\_dish/daily\\_brief\\_archive/daily\\_brief\\_247.htm](http://www.primarydiner.com/daily_dish/daily_brief_archive/daily_brief_247.htm).

<sup>131</sup> Aveni, Virginia and Karen Florini Quoted in "Legislation to improve the Comprehensive Environmental Response, Compensation and Liability Act." Op. Cit. p 86.

<sup>132</sup> Hunt, Spencer, "Brownfields Could Get Taxpayer Help; if Taft Plan Survives Likely Political Fight," Cincinnati Enquirer February 10, 2000, Tristate ed., sec. News: A01.

than Bush's proposal. What Taft wants is get cleanups paid for by citizens and not companies who do the polluting. This probably would expedite cleanup and redevelopment. The question is whether or not redevelopment benefits taxpayers enough to justify their expenditure. The answer is very much unclear at this point. What is clear is that VAPs and any associated money would help to stimulate redevelopment. This at least would provide cosmetic benefits to the communities but whether or not it is all it is cracked up to be by Taft is still very much unproven. Furthermore, Taft's plan seems to all but eliminate corporate responsibility for cleaning up their own mess.

### **Conclusion**

The problem of brownfields is solvable. Part of the solution is Federal and State legislation, such as that found in Voluntary Action Programs, to reduce PRP liability for redevelopers and lenders so that unlimited future liability is no longer a hurdle to redevelopment. Federal and State legislation in the form of tax breaks and incentives can encourage redevelopment of brownfield sites and discourage development of pristine sites. Clear cleanup standards that take into account the intended end-use of a brownfield site would speed up cleanup efforts and greatly reduce the costs of remediation. Citizen involvement in redevelopment plans would help to ensure that proposed developments were beneficial to the community.

To suggest that brownfield redevelopment will solve all of

the problems in decaying inner cities across the country would be foolish. Other important steps toward community redevelopment must be made including improvements to education, residential areas and access to greenspace and recreation. To think that making inner city brownfields easier and more attractive to redevelop through Federal and State policy would automatically inject every inner city area with new industry, commerce, jobs and tax base would be to ignore a multitude of non-policy related factors that hinder brownfield redevelopment: brownfield redevelopment is not a quick fix for all urban problems. In spite of the lack of a one-time cure-all solution to problems faced by old industrial urban neighborhoods, brownfield redevelopment and new brownfield policies can be a step in the right direction toward recentralizing and revitalizing the inner city, curtailing urban and suburban sprawl and encouraging a pattern of sustainable economic development for future generations. It is my hope that brownfield redevelopments and future redevelopment policies will be more geared toward directly benefitting the communities where brownfield redevelopment takes place.